Idaho Economic Forecast

DIRK KEMPTHORNE, Governor **Division of Financial Management**

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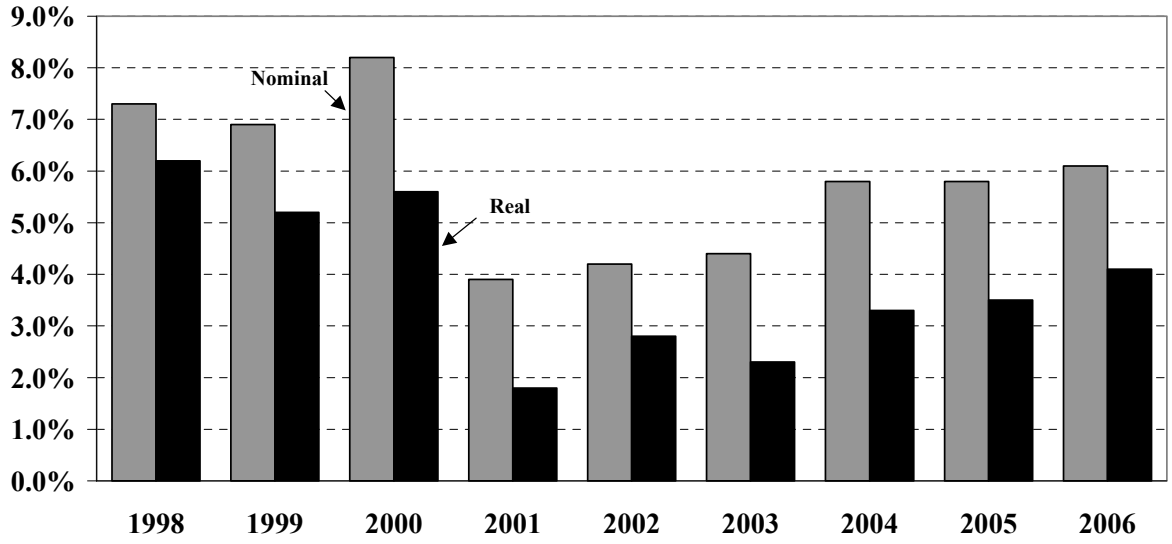
Idaho Nominal & Real Personal Income Growth



IDAHO ECONOMIC FORECAST 2002 - 2006

State of Idaho
DIRK KEMPTHORNE
Governor

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PREFACE

Idaho's economy continues to grow and evolve as it enters the 21st Century. The 1980s was a decade of stop-and-start economic performance. However, it also ushered in one of the longest expansions in the state's history. Since 1987, nonfarm employment has expanded in every year and consistently placed Idaho among the top ten fastest growing states in the nation. The 1990s saw a flood of new residents move into the state, causing the population to expand by an astounding 29% from 1990 to 2000. Over this period Idaho personal income nearly doubled. Much of the current expansion results from ongoing structural changes in Idaho's economy.

One of the biggest changes is the rise of the state's high-technology sector. Virtually nonexistent in the 1970s, this sector achieved critical mass in the 1990s to become the state's largest manufacturing employer. The growth of industry giants, such as Micron Technology and Hewlett-Packard, as well as the emergence and expansion of smaller companies, pushed payrolls above even the most optimistic forecasts made in the 1980s. The state's trade sector has also been going through a transformation. The last decade witnessed an influx of national "big box" merchandisers. During this same time, Idaho merchants successfully reached beyond the state's borders. Several regional shopping centers were established that serve locals, as well as attract shoppers from other states and Canada. Visitors fueled the surge in tourism that also benefited trade. Like its national counterpart, the service sector accounts for most of the nonfarm jobs in Idaho. Tourism has also been a boon to the service industry. While traditional factors, such as increasing discretionary income, continue to fuel the demand for services, other influences have emerged. For example, the use of temporary employees in manufacturing has bolstered business services employment. Idaho's outstanding work force has been a major factor in attracting call centers, back office operations, and credit companies.

While many changes are taking place today, traditional resource industries still play a major role in Idaho's economy. Indeed, the state's mining, agriculture, and timber sectors all experienced lulls in the late 1990s. While displaying more resilience to downturns than in the past, these industries are not totally immune from business-cycle effects. This continuing dependence on natural resources will bring a host of challenges to Idaho. These challenges include competition among agriculture, fisheries, and expanding population, for water and energy; the environmental impacts of the economically important mining, timber, agricultural, and tourism industries; and the many other pressures of an expanding population on the state's natural and fiscal resources.

Other factors that are external to the state's economy will present challenges this decade to public and private decision makers. Public policy decisions made in Washington, D.C. affect resource industry and federal installations such as the Idaho National Engineering and Environmental Laboratory and the Mountain Home Air Force Base. Finding balanced and acceptable solutions to endangered and threatened species issues and timber supply issues are of major economic significance.

In order to deal effectively with these challenges, public and private decisions need to be made with a thorough understanding of the structure of the state's economy. It is to this end that the *Idaho Economic Forecast* is directed.

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INTRODUCTION

The national forecast presented in this publication is the December 2002 Global Insight baseline forecast of the U.S. economy. The previous *Idaho Economic Forecast* is based on the October 2002 Global Insight baseline national forecast.

The cover graph features the historical and forecasted growth rates for Idaho nominal and real personal incomes. The nine years included in the graph can be combined into three periods. The first three year period (1998 to 2000) is a strong growth period. During this time, Idaho nominal personal income grew at least 7.0% and real personal income rose a minimum of about 5.0%. This contrasts vividly with the next period's (2001 to 2003) slower growth. This is especially noticeable in comparing 2000 to 2001. In the former year, nominal personal income grew over 8.0% and real income increased about 5.5%. In 2001, both these measures grew at half their previous year's pace. Over the entire period from 2001 to 2003, Idaho nominal personal income is expect to rise just over 4.0% annually and real personal income should increase between 2% and 3%. It is anticipated income growth will accelerate in the last three-year period (2004 to 2006). While both measures of personal income are not expected to repeat their performances of 1998-2000, it will be an improvement over 2001-2003.

FEATURE

The weak jobs picture is no doubt one of the most frustrating legacies of the 2001 recession. There are several ways to measure this phenomenon. The unemployment rate and nonfarm employment are two of the most common. Another concept is the duration of unemployment. In this article, the Federal Reserve Bank of San Francisco's Rob Valetta discusses this concept, the various measures available, and the evidence regarding the pattern of unemployment duration in the current business cycle compared to past cycles. Mr. Valetta is a Research Advisor with the Federal Reserve Bank of San Francisco.

THE FORECAST

Alternative assumptions concerning future movements of key economic variables can lead to major variations in national and/or regional outlooks. Global Insight examines the effects of different economic scenarios, including the potential impacts of international recessions, higher inflation, and future Federal Reserve Board decisions. Alternative Idaho economic forecasts were developed under different policy and growth scenarios at the national level. These forecasts are included in this report.

Historical and forecast data for Idaho and the U.S. are presented in the tables in the middle section of this report. Detail is provided for every year from 1987 to 2006 and for every quarter from 2000 through 2005. The solution of the Idaho Economic Model (IEM) for this forecast begins with the third quarter of 2002.

Descriptions of the Global Insight U.S. Macroeconomic Model and the IEM are provided in the Appendix. Equations of the IEM and variable definitions are listed in the last pages of this publication.

CHANGES

Regular readers of the *Idaho Economic Forecast* will notice references to Global Insight in place of DRI*WEFA. We have not switched to another economic consulting service. Instead, our economic service has changed its name. On October 28, 2002, DRI*WEFA was rebranded as Global Insight, marking the

completion of the integration of two of the nation's most recognized economic consulting services into a single entity.

The employment numbers that appear in this publication are based on monthly data collected by the Idaho Department of Labor. The data through the first half of 2002 are final. All of these data have been seasonally adjusted and converted into quarterly estimates by the Division of Financial Management (DFM). These current data show that DFM's previous forecast of Idaho nonfarm employment in the second quarter of 2002 was too low. Specifically, actual nonfarm employment in the second quarter of 2002 was 567,260, which was nearly 7,000 (1.2%) higher than DFM had forecasted in October 2002.

The tables in this forecast include the U.S. Department of Commerce's Bureau of Economic Analysis (BEA) estimates of Idaho quarterly personal income through the second quarter of 2002. In addition to the 2002 second quarter income estimates, the historical Idaho quarterly income estimates since 1999 were also revised. The BEA will release its next Idaho personal income estimates in late January 2003.

The *Idaho Economic Forecast* is available on the Internet at http://www.state.id.us/dfm/econ_pub.html. Readers with any questions should contact Derek Santos at (208) 334-3900 or at dsantos@dfm.state.id.us.

SUBSCRIPTIONS

You can access the *Idaho Economic Forecast* for free at http://www.state.id.us/dfm/econ_pub.html.

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EXECUTIVE SUMMARY

In the past, Idaho's economy has been described as the caboose of a long train. For years this was an apt description because the state's economy was usually the last to slow down in a national business contraction and the last to move during an expansion. Because of the state's relatively heavy resource base, it traditionally took awhile for the ripple effects of weak demand to be felt locally. Ironically, it is the state's dependency on high-tech manufacturing that has caused it to suffer from the start of the 2001 recession. High-tech manufacturing declined 0.8% in 2001 and an estimated 10.3% in 2002. Idaho total nonfarm employment dropped an estimated 0.3% in 2002. The reason high-tech is suffering more than in the previous recession is because the train cars have been rearranged. Instead of being caused by the traditional drop in consumer spending, the 2001 recession reflected a collapse in business investment. Idaho's high-tech sector is coupled directly to this car, so the impact of the collapse on Idaho was almost immediate. This also infers the high-tech sector will move forward again once the nation's investment engine picks up steam. The good news is it is already showing signs of leaving the station. Real investments in computers and software have experienced strong gains recently. Of course, there is still a lag between when national investment recovers and local high-tech employment improves. The current schedule shows the high-tech sector is back on track in the second half of this year. The anticipated growth in the high-tech sector should help lift the state out of its economic funk. It is estimated Idaho nonfarm employment shrank 0.3% in 2002 and real personal income rose 1.8% in 2001. Idaho nonfarm employment is forecast to rise 0.9% this year, 1.9% next year, 2.4% in 2005, and 3.3% in 2006. The accelerating employment growth will have a positive impact on real Idaho personal income. This measure is forecast to rise 2.3% in 2003, 3.3% in 2004, 3.5% in 2005, and 4.1% in 2006.

The economy is fundamentally sound, but is not performing to satisfaction. Namely, real output seems to be moving along, but the lack of job growth is frustrating. Real GDP advanced for a year, but the nation's nonfarm payroll has decreased during this same period. In November 2002, the U.S. civilian unemployment rate stood at 6.0%--four-tenths of a percentage point higher than in November 2001. In order for the unemployment rate to start falling, businesses need to add about 100,000 jobs a month. This begs the question: When will companies begin hiring? Hiring should resume en force when companies are convinced of the recovery. This should take place in the second half of this year. In the third quarter of 2003, hiring should accelerate to above 3.0% and the unemployment should drop further. After that, the unemployment rate should fall steadily to its full-employment threshold. A key feature of the current U.S. economic forecast is the assumption that Congress will pass the President's tax relief package in early 2003. With this added stimulus, real GDP is expected to increase 2.9% this year and 4.5% next year. Both estimates are about three-tenths of a percentage point higher than in the previous forecast. The stimulus wears off over the length of the forecast period, however. The current forecast also assumes the Federal Reserve will not loosen further. Instead, it will take a wait-and–see position to determine if the economy gets through this soft patch without further interest rate tax cuts. Nationally, real GDP is projected to increase 2.9% in 2003, 4.5% in 2004, 3.7% in 2005, and 3.4% in 2006. And employment will begin growing once again. Specifically, nonfarm employment is forecast to grow 0.8% this year, 2.5% next year, 1.9% in 2005, and 1.2% in 2006. This will be a welcome relief compared to the job-growth drought of 2001-2002.

IDAHO ECONOMIC FORECAST

EXECUTIVE SUMMARY

JANUARY 2003

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
GDP (BILLIONS)										
Current $	8,318	8,782	9,274	9,825	10,082	10,444	10,969	11,744	12,447	13,114
% Ch	*6.5%*	*5.6%*	*5.6%*	*5.9%*	*2.6%*	*3.6%*	*5.0%*	*7.1%*	*6.0%*	*5.4%*
1996 Chain-Weighted	8,159	8,509	8,859	9,191	9,215	9,435	9,707	10,142	10,516	10,873
% Ch	*4.4%*	*4.3%*	*4.1%*	*3.8%*	*0.3%*	*2.4%*	*2.9%*	*4.5%*	*3.7%*	*3.4%*
PERSONAL INCOME - CURR $										
Idaho (Millions)	25,227	27,066	28,931	31,314	32,525	33,891	35,387	37,436	39,591	42,011
% Ch	*4.4%*	*7.3%*	*6.9%*	*8.2%*	*3.9%*	*4.2%*	*4.4%*	*5.8%*	*5.8%*	*6.1%*
Idaho Nonfarm (Millions)	24,557	26,149	27,901	30,519	31,562	32,811	34,254	36,176	38,297	40,747
% Ch	*5.4%*	*6.5%*	*6.7%*	*9.4%*	*3.4%*	*4.0%*	*4.4%*	*5.6%*	*5.9%*	*6.4%*
U.S. (Billions)	6,937	7,426	7,786	8,407	8,685	8,944	9,362	9,956	10,550	11,131
% Ch	*6.0%*	*7.0%*	*4.9%*	*8.0%*	*3.3%*	*3.0%*	*4.7%*	*6.4%*	*6.0%*	*5.5%*
PERSONAL INCOME - 1996 $										
Idaho (Millions)	24,745	26,268	27,622	29,158	29,686	30,507	31,208	32,241	33,375	34,744
% Ch	*2.4%*	*6.2%*	*5.2%*	*5.6%*	*1.8%*	*2.8%*	*2.3%*	*3.3%*	*3.5%*	*4.1%*
Idaho Nonfarm (Millions)	24,088	25,379	26,639	28,418	28,807	29,535	30,209	31,156	32,284	33,699
% Ch	*3.4%*	*5.4%*	*5.0%*	*6.7%*	*1.4%*	*2.5%*	*2.3%*	*3.1%*	*3.6%*	*4.4%*
U.S. (Billions)	6,805	7,208	7,435	7,828	7,927	8,051	8,256	8,575	8,894	9,206
% Ch	*3.9%*	*5.9%*	*3.2%*	*5.3%*	*1.3%*	*1.6%*	*2.6%*	*3.9%*	*3.7%*	*3.5%*
HOUSING STARTS										
Idaho	8,865	10,114	10,348	11,534	12,262	12,060	11,205	10,886	11,081	11,342
% Ch	*-3.8%*	*14.1%*	*2.3%*	*11.5%*	*6.3%*	*-1.6%*	*-7.1%*	*-2.9%*	*1.8%*	*2.4%*
U.S. (Millions)	1.475	1.621	1.647	1.573	1.603	1.683	1.581	1.670	1.702	1.694
% Ch	*0.4%*	*9.9%*	*1.6%*	*-4.5%*	*1.9%*	*5.0%*	*-6.1%*	*5.7%*	*1.9%*	*-0.5%*
TOTAL NONFARM EMPLOYMENT										
Idaho (Thousands)	508.7	521.5	539.1	559.2	568.3	566.5	571.4	582.0	595.8	615.4
% Ch	*3.3%*	*2.5%*	*3.4%*	*3.7%*	*1.6%*	*-0.3%*	*0.9%*	*1.9%*	*2.4%*	*3.3%*
U.S. (Millions)	122.7	125.9	128.9	131.7	131.9	130.8	131.9	135.1	137.7	139.5
% Ch	*2.6%*	*2.6%*	*2.4%*	*2.2%*	*0.2%*	*-0.8%*	*0.8%*	*2.5%*	*1.9%*	*1.2%*
SELECTED INTEREST RATES										
Federal Funds	*5.5%*	*5.4%*	*5.0%*	*6.2%*	*3.9%*	*1.7%*	*1.7%*	*3.3%*	*4.2%*	*4.9%*
Bank Prime	*8.4%*	*8.4%*	*8.0%*	*9.2%*	*6.9%*	*4.7%*	*4.7%*	*6.3%*	*7.2%*	*7.9%*
Existing Home Mortgage	*7.7%*	*7.1%*	*7.3%*	*8.0%*	*7.0%*	*6.5%*	*6.3%*	*7.5%*	*7.8%*	*7.8%*
INFLATION										
GDP Price Deflator	*1.9%*	*1.2%*	*1.4%*	*2.1%*	*2.4%*	*1.2%*	*2.1%*	*2.5%*	*2.2%*	*1.9%*
Personal Cons Deflator	*1.9%*	*1.1%*	*1.6%*	*2.5%*	*2.0%*	*1.4%*	*2.1%*	*2.4%*	*2.2%*	*1.9%*
Consumer Price Index	*2.3%*	*1.5%*	*2.2%*	*3.4%*	*2.8%*	*1.6%*	*2.3%*	*2.5%*	*2.4%*	*2.2%*

National Variables Forecast by GLOBAL INSIGHT
Forecast Begins the THIRD Quarter of 2002

IDAHO ECONOMIC FORECAST

EXECUTIVE SUMMARY

JANUARY 2003

	2003				2004				2005			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
GDP (BILLIONS)												
Current $	10,728	10,876	11,044	11,229	11,461	11,657	11,842	12,015	12,208	12,368	12,524	12,688
% Ch	*5.5%*	*5.6%*	*6.3%*	*6.9%*	*8.5%*	*7.0%*	*6.5%*	*5.9%*	*6.6%*	*5.4%*	*5.2%*	*5.3%*
1996 Chain-Weighted	9,575	9,654	9,746	9,853	9,988	10,098	10,196	10,287	10,390	10,473	10,554	10,645
% Ch	*3.2%*	*3.3%*	*3.9%*	*4.5%*	*5.6%*	*4.5%*	*3.9%*	*3.6%*	*4.0%*	*3.3%*	*3.1%*	*3.5%*
PERSONAL INCOME - CURR $												
Idaho (Millions)	34,786	35,177	35,608	35,977	36,516	37,164	37,805	38,260	38,774	39,373	39,872	40,344
% Ch	*4.2%*	*4.6%*	*5.0%*	*4.2%*	*6.1%*	*7.3%*	*7.1%*	*4.9%*	*5.5%*	*6.3%*	*5.2%*	*4.8%*
Idaho Nonfarm (Millions)	33,656	34,022	34,461	34,877	35,415	35,932	36,427	36,930	37,489	38,042	38,547	39,110
% Ch	*4.7%*	*4.4%*	*5.3%*	*4.9%*	*6.3%*	*6.0%*	*5.6%*	*5.6%*	*6.2%*	*6.0%*	*5.4%*	*6.0%*
U.S. (Billions)	9,190	9,292	9,415	9,550	9,723	9,886	10,038	10,178	10,340	10,487	10,617	10,757
% Ch	*5.8%*	*4.5%*	*5.4%*	*5.8%*	*7.5%*	*6.9%*	*6.3%*	*5.7%*	*6.5%*	*5.8%*	*5.1%*	*5.4%*
PERSONAL INCOME - 1996 $												
Idaho (Millions)	30,948	31,129	31,314	31,442	31,724	32,105	32,468	32,670	32,933	33,269	33,527	33,770
% Ch	*2.6%*	*2.4%*	*2.4%*	*1.6%*	*3.6%*	*4.9%*	*4.6%*	*2.5%*	*3.3%*	*4.1%*	*3.1%*	*2.9%*
Idaho Nonfarm (Millions)	29,942	30,108	30,305	30,481	30,768	31,040	31,284	31,534	31,842	32,145	32,412	32,737
% Ch	*3.1%*	*2.2%*	*2.7%*	*2.3%*	*3.8%*	*3.6%*	*3.2%*	*3.2%*	*4.0%*	*3.9%*	*3.4%*	*4.1%*
U.S. (Billions)	8,176	8,222	8,280	8,346	8,447	8,540	8,621	8,691	8,782	8,861	8,927	9,004
% Ch	*4.1%*	*2.3%*	*2.8%*	*3.2%*	*4.9%*	*4.5%*	*3.8%*	*3.3%*	*4.3%*	*3.6%*	*3.0%*	*3.5%*
HOUSING STARTS												
Idaho	11,566	11,369	11,064	10,823	10,868	10,873	10,889	10,912	10,979	11,037	11,120	11,186
% Ch	*-9.1%*	*-6.6%*	*-10.3%*	*-8.4%*	*1.7%*	*0.2%*	*0.6%*	*0.8%*	*2.5%*	*2.2%*	*3.0%*	*2.4%*
U.S. (Millions)	1.593	1.572	1.571	1.586	1.632	1.674	1.677	1.697	1.701	1.704	1.703	1.702
% Ch	*-11.1%*	*-5.1%*	*-0.3%*	*3.9%*	*12.1%*	*10.5%*	*0.8%*	*4.9%*	*0.8%*	*0.8%*	*-0.3%*	*-0.1%*
TOTAL NONFARM EMPLOYMENT												
Idaho (Thousands)	568.0	569.9	572.5	575.2	577.7	580.2	583.4	586.8	590.2	593.9	597.7	601.6
% Ch	*0.4%*	*1.3%*	*1.9%*	*1.8%*	*1.8%*	*1.7%*	*2.2%*	*2.3%*	*2.4%*	*2.5%*	*2.6%*	*2.6%*
U.S. (Millions)	131.1	131.5	131.9	132.9	133.9	134.8	135.6	136.3	137.0	137.5	138.0	138.5
% Ch	*0.6%*	*1.0%*	*1.3%*	*3.1%*	*3.0%*	*2.5%*	*2.4%*	*2.3%*	*1.9%*	*1.6%*	*1.4%*	*1.4%*
SELECTED INTEREST RATES												
Federal Funds	*1.3%*	*1.3%*	*1.9%*	*2.3%*	*2.7%*	*3.2%*	*3.5%*	*3.8%*	*4.0%*	*4.0%*	*4.3%*	*4.5%*
Bank Prime	*4.3%*	*4.3%*	*4.9%*	*5.3%*	*5.7%*	*6.2%*	*6.5%*	*6.8%*	*7.0%*	*7.0%*	*7.3%*	*7.5%*
Existing Home Mortgage	*6.0%*	*5.9%*	*6.4%*	*6.9%*	*7.1%*	*7.4%*	*7.6%*	*7.8%*	*7.8%*	*7.8%*	*7.7%*	*7.7%*
INFLATION												
GDP Price Deflator	*2.2%*	*2.2%*	*2.4%*	*2.3%*	*2.7%*	*2.5%*	*2.5%*	*2.2%*	*2.5%*	*2.0%*	*2.0%*	*1.8%*
Personal Cons Deflator	*1.6%*	*2.2%*	*2.5%*	*2.5%*	*2.4%*	*2.3%*	*2.4%*	*2.3%*	*2.1%*	*2.1%*	*2.0%*	*1.8%*
Consumer Price Index	*2.0%*	*2.2%*	*2.6%*	*2.5%*	*2.4%*	*2.5%*	*2.6%*	*2.5%*	*2.3%*	*2.3%*	*2.2%*	*2.0%*

National Variables Forecast by GLOBAL INSIGHT
Forecast Begins the THIRD Quarter of 2002

NATIONAL FORECAST DESCRIPTION

The Forecast Period is the Third Quarter of 2002 through the Fourth Quarter of 2006

Federal Reserve Chairman Alan Greenspan recently described the U.S. economy was in a "soft spot." This implies that the economy is fundamentally sound, but is not performing to satisfaction. Namely, real output seems to be moving along, but the lack of job growth is frustrating. Real GDP advanced at a 4.0% annual rate in the third quarter of 2002—its fourth uninterrupted quarter of growth. In contrast, the nation's nonfarm payroll has decreased during this same period. In November 2002, the U.S. civilian unemployment rate stood at 6.0%--four-tenths of a percentage point higher than in November 2001. Unfortunately, the unemployment rate will likely rise further. This is the classic relationship between output and employment. Employment lags output because businesses are hesitant to add to payrolls until they are sure the economy on solid footing. In order for the unemployment rate to start falling, businesses need to add about 100,000 jobs a month.

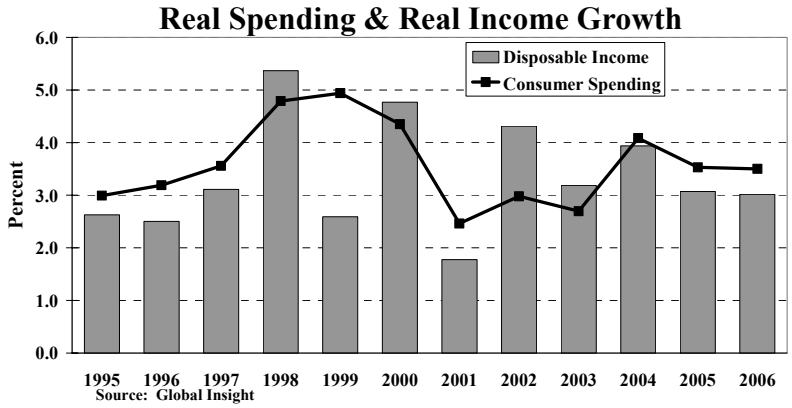
This begs the question: When will companies begin hiring? After all, the recession probably ended almost a year ago. (At the time of this writing the National Board of Economic Research had not officially declared the recession ended.) As was mentioned above, hiring will resume en force when companies are convinced of the recovery. This should take place in the second half of this year. Nonfarm employment is forecast to grow over one percent in the third quarter of this year for the first time since the second quarter of 2000. This should nudge the U.S. civilian unemployment rate down slightly. In the third quarter of 2003, hiring should accelerate to above 3.0% and the unemployment should drop further. After that, the unemployment rate should fall steadily to its full-employment threshold.

A key feature of the current U.S. economic forecast is the assumption that Congress will pass the President's tax relief package in early 2003. Global Insight assumes the package is worth $45 billion in its first year, comprised of a mix of cuts in personal income taxes. Elimination of the personal tax on dividends could well account for half, with acceleration of some already-scheduled changes accounting for the rest. With this added stimulus, real GDP is expected to increase 2.9% this year and 4.5% next year. Both estimates are about three-tenths of a percentage point higher than in the previous forecast. The stimulus wears off over the length of the forecast period, however.

It is also assumed in this forecast the Federal Reserve will not loosen further. After displaying unusual generosity in November 2002 by cutting its federal funds rate by one-half percentage point, the nation's central bank passed on a chance to loosen further during its December 2002 meeting. It is taking a wait-and–see position to determine if the economy gets through this soft patch without further interest rate tax cuts. Another reason the Federal Reserve is being cautious is because with rates already so low, it is running out of options. The rate cannot be lowered below 0.0%. This forecast assumes the economy, with the help of an accommodative fiscal policy, should pick up speed in the second half of this year. Therefore, further cuts by the nation's central bank will be unnecessary in the near future.

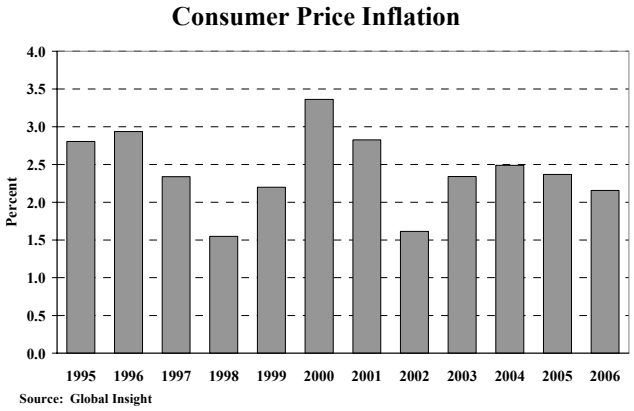
Nationally, real GDP is projected to increase 2.9% in 2003, 4.5% in 2004, 3.7% in 2005, and 3.4% in 2006. And employment will begin growing once again. Specifically, nonfarm employment is forecast to grow 0.8% this year, 2.5% next year, 1.9% in 2005, and 1.2% in 2006. This will be a welcome relief compared to the job-growth drought of 2001-2002.

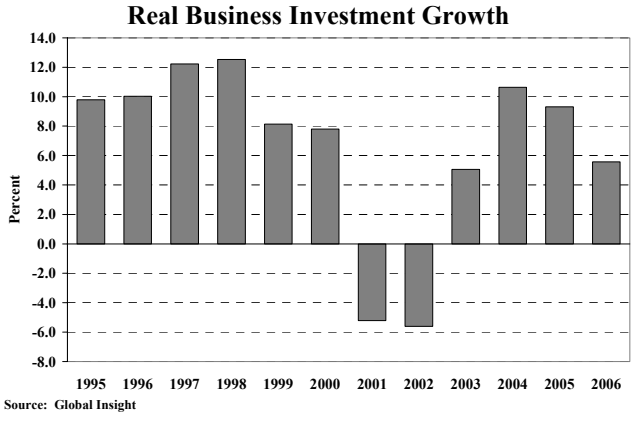
SELECTED NATIONAL ECONOMIC INDICATORS



Consumer Spending: American consumers have been the economy's heroes during the recent slowdown. Thanks to their resilience and continuous spending, the recession should be one of the mildest on record. Their performance also marks a historical departure. Traditionally, it is weak consumer spending that leads to a recession. One need only look back to the early 1990s for a classic example. The U.S. suffered a recession in 1990-91. Real GDP declined nearly 1.5% over the three quarters of decline. Interestingly, real consumer spending dropped for just two quarters, but the total decline was almost as great (1.3%) as the decline in total output. A look at how this drop was distributed among its major components reveals a pattern that is close to the historical norm. Real spending on durable goods was hardest hit. It went into reverse for a whole year and declined 10.8% from its peak to trough. This is typical behavior because consumers can postpone purchasing big-ticket items, such as automobiles and major appliances, until their finances improve. Consumers have less leeway with nondurable items or services. For example, one can put off a trip to the grocery store or the dentist for only so long. These two sectors are also much larger than the durable goods sector, so they are weighted more heavily in aggregate spending. During the last recession, real nondurable spending fell just 1.4% and services spending declined just 0.25%. The 2001 recession also lasted three quarters, and that is the most it had in common with the 1990-91 recession. Real output dropped just 0.6% in the 2001 recession, versus 1.5% in the previous downturn. A major reason for this difference is real consumer spending did not decline during the most recent recession. From the last quarter of 2000 to the third quarter of 2001, real consumer spending actually increased 1.3%. The usual dip in durable goods spending never occurred. Instead, it increased 5.3%. And it has continued to increase. Part of the continued durable spending growth reflects the healthy housing market. Soon after a home is purchased, most new owners shop for items to personalize their new abode. In addition, the lowest mortgage interest rates in a generation have led to a refinancing stampede. This is also a boon to spending because consumers "cashing out" a part of the new loan or lower monthly payments of new loans provide incentive to spend. But even the record low mortgage rates pale in comparison to interest rates available to automobile purchasers. Zero-percent financing caused vehicle purchases to soar. While these factors helped make the most recent slowdown mild, they will also make the recovery mild. Usually, the bigger the decline in spending during a recession, the bigger the surge in spending during a recovery. This is because demand is pent up during the recession. In the most current recession, consumer spending never fell off, so there is little, if any, pent up demand to be met. Therefore, no surge in consumer spending is expected. Instead, spending should grow roughly in line with real disposable personal income. Specifically, real consumer spending is forecast to advance an average of 3.4% per year through 2006. However, it should be pointed out there will be two distinct growth periods. In the first two years growth is expected to remain under three percent, while it is above three percent in the last three years.

Inflation: The latest price data suggest the U.S. is near a point of price stability. Not since the early 1960s have the top-line measures of inflation been so low. The broadest measure of inflation available--the implicit price deflator for gross domestic product—increased 0.8% for the year ended with the third quarter of 2002, its lowest rate of change since 1961. For the 12 months ending in September 2002, the consumer price index (CPI) was up a mere 1.5%. Goods price inflation, as measured by producer price index for finished goods (PPI), actually fell in the past year. Both the CPI and PPI have occasionally dipped this low in the last four decades, most recently in 1986 when oil prices collapsed. What is different now is labor cost acceleration is also slowing. The employment cost index for private industry workers (ECI) rose 0.6% in the third quarter of 2003, about half the 1.1% rate of the previous quarter. Interestingly, the wages component of ECI was up just 0.4%, the smallest gain since the ECI began tracking wage growth in 1980. Over the last four quarters, compensation costs in the private sector have risen 3.7%, their slowest rate since late 1999. This forecast anticipates inflation bottoming out in late this year. It is unlikely to show much acceleration during 2003, however, and certainly not in the first part of the year. There are three reasons for this: ample capacity, sluggish job growth, and falling energy prices. Domestically, capacity utilization rates are near 74%, which is well below the 82% considered full capacity. The current forecast projects capacity utilization will improve slowly. Utilization rates should remain below 80% through 2005. Labor markets are also not expected to improve rapidly over the next couple of years, which will inhibit wage growth. Indeed, total compensation costs are forecasted to move up less than 3.5% in 2003 and 2004—a lower rate than in 2002. Lower oil prices are the third major factor limiting inflation. The $3-$5 war premium is already eroding, and fundamentals continue pointing to a price range of $21-$23 per barrel of oil over the near term. However, supply disruptions of Venezuelan oil could put upward pressure on crude oil prices. The CPI is expected to rise just 2.3% in 2003, 2.5% in 2004, 2.4% in 2005, and 2.2% in 2006.

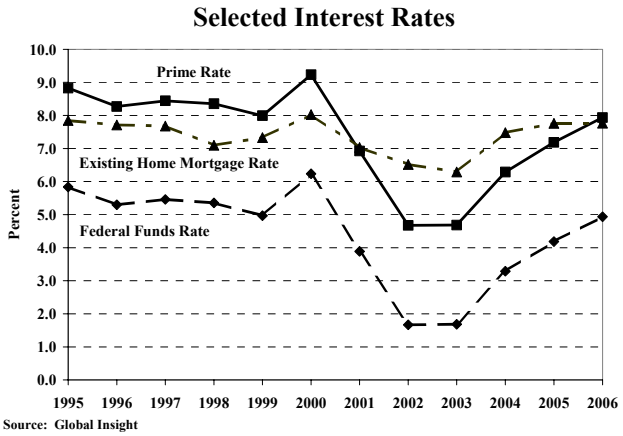


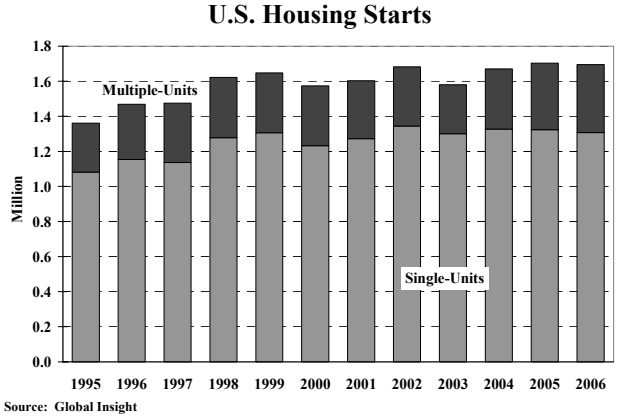


Business Investment: The collapse in real business investment is one of the main reasons for the 2001 recession and its sluggish growth has hampered the economic recovery. This sector was not always scorned. In fact, it was the darling of the economy through most of the 1990s. Fueled by the Internet gold rush, The Telecommunications Act of 1996, and Y2K fears, real business investment grew faster than real GDP in every year from 1992 to 2000. In three of those years it grew at double-digit rates. This string of growth years came to a halt in 2001, when real business investment actually declined 5.2%--its biggest drop since 1991. Unfortunately, the next year was slightly worse. It has been estimated real business investment declined another 5.6% in 2002. This decline has been frustrating because it took place at a time when the cost of borrowing was especially favorable. A couple of factors help explain why businesses have been hesitant to invest. First, given the current excess capacities in many industries, it makes no economic sense to invest in additional capacity. Second, the soft stock market restricts companies' ability to raise equity capital. Third, weak earnings also limit funding for business investment. Obviously, real business investment will not remain in reverse forever. Replacement

demand will fuel some growth and higher future earnings will boost investment. However, a return to the salad days of the late 1990s is not expected. Much of the strength during those years reflects excess investment that has resulted in today's surplus capacities. This is not a mistake companies are likely to soon repeat. It should be pointed out that some sectors are already showing signs of life. Spending on communications equipment grew through most of 2002, indicating several lines of business are doing fine, despite the implosion of the communication sectors. This reflects the strong demand for DSL and cable TV Internet connections. However, communications equipment spending should drop in the long run as a result of further consolidation in the industry. Real business investment is forecast to advance 5.1% in 2003, 10.6% in 2004, 9.3% in 2005, and 5.6% in 2006

Financial: The nation's central bank is in uncharted waters. The Federal Reserve usually has the difficult task of balancing its goal of keeping prices stable without hurting the economy. It has proven to be very adept at balancing on this razor's edge. Chairman Greenspan and company have already successfully pulled off one of the most difficult policy moves in the recent past: a soft landing. Before the 2001 recession, the central bank was able to lower inflation without causing a downturn. However, current conditions have changed. First, inflation is tame. Second, instead of trying to cool an overheating economy the Federal Reserve must now jump-start the economy. The lack of inflation is welcome because it provides greater latitude for policy making. However, the current federal fund interest rate of 1.25% is limiting policy choices. The Federal Reserve has used interest rate targets as its tool of choice for meeting policy goals. However, with the federal fund rate so close to zero, it is finding its options limited. Ironically, after straddling the razor's edge so successfully, the central bank is running out razor. Because of the 6 to 12-month lag between an interest rate change and its impact on the economy, the results of this change remain to be seen. Two questions remain: What will be the Federal Reserve's next move and when will it take place? Policy makers passed on their latest opportunity to change rates during its December 10, 2002 meeting. This forecast assumes the Federal Reserve will leave rates unchanged until it is sure the economy is on solid ground, which is the second half of this year. At that time, it will begin to raise its bellwether federal funds rate. The federal funds rate is projected to average 1.68% in 2003, 3.29% in 2004, 4.19% in 2005, and 4.94% in 2006.

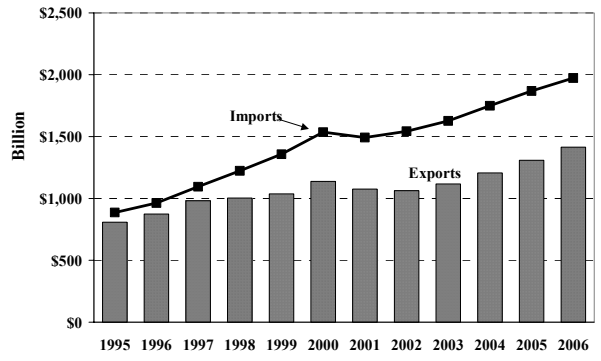




Housing: The U.S. housing market is expected to pause in 2003 after experiencing remarkable growth in recent years. However, it is forecast to resume its upward trend after 2003. Like consumer spending, housing starts have been one of the few areas of growth during the recession. But to limit a review of housing to the period during and after the recession would short change its success because housing began growing well before that time. In fact, it started nearly a decade earlier at the end of the previous recession. Despite nearly constant warnings housing starts had already peaked, U.S. housing starts grew an average of 6.3% annually from 1991 to 1999, from just over 1 million units to almost 1.65 million units. The latter was its strongest showing since 1986. Housing starts slipped slightly in 2000, but

advanced in both 2001 and 2002. There are several factors that contributed to the housing industry's success in those two years. The most obvious factor is falling mortgage interest rates. Thanks to the lowest rates in a generation, mortgage debt service's portion of disposable income has shrunken, and that has increased the affordability of home ownership. Of course, even these low interest rates would not spur growth if consumers were worried about the future. Thankfully, consumer confidence has proven resilient to the recession and the slow recovery. While confidence has declined slightly, it remains higher than during the 1990-91 recession. The housing industry has also been the beneficiary of the stock market implosion. With financial markets in retreat, real estate has proven to be a solid investment. The flurry of housing activity has made predicting its future murky. For example, the steady decline in mortgage rates may have sped up so much home buying that activity could drop sharply when rates turn up. This could happen in 2003, as the mortgage interest rates begin rising in the second half of that year. Not surprisingly, U.S. housing starts are expected to decline by about 100,000 units from 2002. Mortgage rates are anticipated to continue rising through 2006, but housing starts are projected to recover beginning in 2004. A major reason for this is nonfarm employment, which had been languishing since 2001, should advance at healthy rates. This will lift consumers' confidence. In addition, any increase in debt service due to higher interest rates is expected to be offset by growing disposable personal income. National housing starts are projected to be 1.68 million units in 2002, 1.58 million units in 2003, 1.67 million units in 2004, 1.70 million units in 2005, and 1.69 million units in 2006.

U.S. Imports and Exports



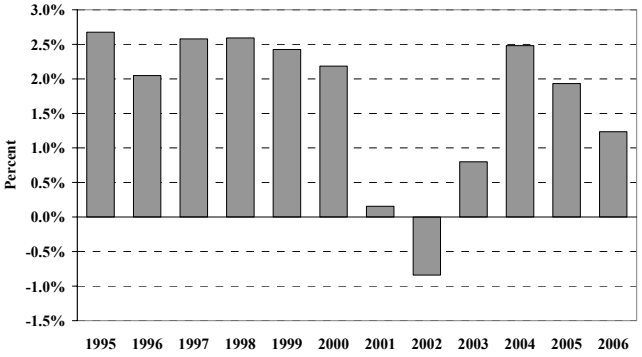
Source: Global Insight

International: The global economy's mediocre recovery is running out of steam and is in need of a strong dose of policy stimulus. November 2002's 50-basis-point rate cut by the Federal Reserve was a good start. The European Central Bank's cut in its key overnight rate from 3.25% to 2.75% was a good follow up, but more is needed if the world economy is to do better than just muddle along. This will not happen until some of world's largest economies make some fundamental changes. Currently, it seems most of the world are placing bets that the U.S. economy will be able to pull them out of their dire straights. Unfortunately, the U.S. economy does not have the horsepower to carry the entire global economy, and other developed economies must do their shares. But many of these countries, such as Japan and Germany, are suffering from structural problems and they are not willing to take the steps necessary to resolve them. Japan is pursuing a weak yen policy in an attempt to export itself back to prosperity. This is the latest in a series of policies to kick-start Japan's stalled economy. It used fiscal and monetary policy to temporarily lift its economy, but long-term success remained elusive. Given current circumstances, the weak yen policy also seems doomed. This is because the yen is already weak. It has depreciated 15% over the past two years, during which time producer prices have fallen more than 5% and the equities market has declined 40%. The bottom line is Japanese assets and goods are already bargain-priced to foreign buyers. Japan will be stuck with economic malaise until it takes the bitter pill of structural reform. Germany is not in a position to pursue a weak euro policy, but is still looking for at least a temporary boost. But Germany has other problems. Once the world's epitome and chief proponent of fiscal restraint, it has been warned by the European Union about the size of its budget deficit. Recently, Germany has pushed back its goal of eliminating its deficit by 2004. Instead, it will attempt to do achieve a balanced budget by 2006. Meanwhile, Germany is at risk of exceeding the 3% of GDP ceiling allowed for its budget deficit. Germany has also been called on to reduce its persistently high unemployment rate and regional disparities in its unemployment rates. To do this, Germany must reform its current benefit system to

make it more worthwhile for the unemployed to take work, to tackle the other incentives to labor market inactivity, and to deregulate its product and labor markets.

Employment: A full year after real output has resumed growing, nonfarm employment remains in the doldrums. Those hoping for a quick resolution to this problem will be disappointed. The latest blow came in the form of the November 2002 employment numbers. According to the U.S. Department of Labor, the U.S. unemployment rate jumped three-tenths of a percentage point to 6.0% from October 2002 to November 2002. Other evidence of the weak employment situation was the nearly 40,000 decline in nonfarm jobs during this same period. This drop came to a surprise to many economists who were expecting a small increase in the number of jobs. Not all the news was bad. The number of initial claims for jobless benefits declined by 13,000 in November 2002. Unfortunately, it appears the employment situation will worsen before it improves. While frustrating, the softness in employment is typical after a recession. Until businesses are certain demand for their products are solid, they will be hesitant to expand their payrolls. Instead, they will use other measures, such as increased overtime, to meet rising demand in the short run. It is only after all these measures have been tapped that employment will grow. It has been estimated the economy must provide around 100,000 jobs per month in order for the nation's unemployment rate to fall. Unfortunately, this is not expected until late 2003. Specifically, the first time nonfarm employment growth is expected to reach the 100,000 threshold is in the last quarter of 2003. As a result, the U.S. civilian unemployment rate is projected to remain near 6.0% until that time. Nonfarm employment is forecast to increase 0.8% in 2003, 2.5% in 2004, 1.9% in 2005, and 1.2% in 2006. This should cause the nation to move closer to full employment over the next few years. Most of the new jobs created will be in the services-producing sector. In fact the goods-producing sector is not expected to post an employment increase until 2004. If this forecast holds true, this sector would have experienced job losses before the overall economy and be the last sector to enjoy increases during the recovery. This sector's sluggishness is largely attributed to its manufacturing component. A look at historical employment numbers shows how hard manufacturing has been hit. Manufacturing began shedding jobs in the third quarter of 2000, about a year before the economy slipped into a recession. This situation is not expected to improve until the end of this year. From its peak to trough, manufacturing is estimate to have lost 2.5 million jobs, or 13.3% of its employment base. Unfortunately, this cumulative job loss is not expected to be made up over the forecast period.

U.S. Nonfarm Employment Growth



Source: Global Insight

IDAHO FORECAST DESCRIPTION

The Forecast Period is the Third Quarter of 2002 through the Fourth Quarter of 2006

In the past, Idaho's economy has been described as the caboose of a long train. For years this was an apt description because the state's economy was usually the last to slow down in a national business contraction and the last to move during an expansion. Because of the state's relatively heavy resource base, it traditionally took awhile for the ripple effects of weak demand to be felt locally. On the other hand, it also took longer to feel the effects of growing demand. No analogy is perfect, but this one seemed to capture the link between the state and national economies reasonably well for a long time.

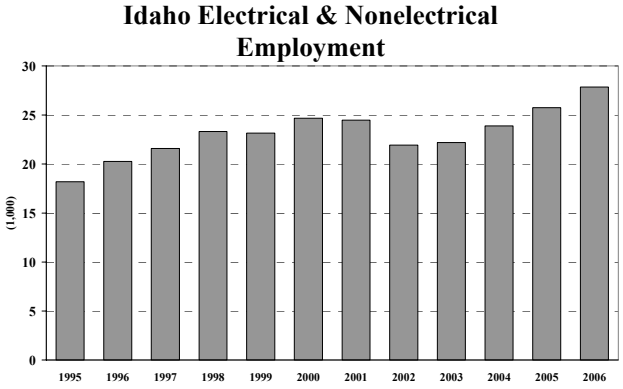
This railroad metaphor was put to the test during the 1990-91 recession, however. The national slowdown had all the classic traits. Shaken consumers curbed spending, which caused output to nosedive. Faced with softer demand, U.S. companies shed jobs. In 1991, nonfarm employment shrank 1.4% in 1991 and grew a meager 0.3% in 1992 and 1.9% in 1993. Here is where the traditional railroad comparison breaks down. Idaho nonfarm employment never stopped growing during this period. In 1991 alone, it advanced a healthy 3.3%--and this was its low point. It accelerated in each of the next three years growing by an astounding 5.6% in 1994. To salvage the train analogy, it was as if Idaho's economy had decoupled, jumped onto another track, and was a runaway north.

Idaho's success during that period was due in large part to its economic transformation. From being almost nonexistent in the early 1970s, the state's high-tech sector was becoming a major player by the 1990s. For example, this sector, which accounted for just 3.0% of manufacturing employment in 1970, was the largest manufacturing employer by 1995 and accounted for over 25.0% of manufacturing employment. This worked to the state's advantage during the 1990-91 recession because the state's high-tech sector was producing a mix of goods that was in demand during the nation's business investment boom. The state also grew with the flood of newcomers arriving in the 1990s in the hope of improving their economic situation.

Ironically, it is the state's dependency on high-tech manufacturing that has caused it to suffer from the start of the 2001 recession. High-tech manufacturing declined 0.8% in 2001 and an estimated 10.3% in 2002. Idaho total nonfarm employment dropped an estimated 0.3% in 2002. The reason high-tech is suffering more than in the previous recession is because the train cars have been rearranged. Instead of being caused by the traditional drop in consumer spending, the 2001 recession reflected a collapse in business investment. Idaho's high-tech sector is coupled directly to this car, so the impact of the collapse on Idaho was almost immediate. This also infers the high-tech sector will move forward again once the nation's investment engine picks up steam. The good news is it is already showing signs of leaving the station. Real investments in computers and software have experienced strong gains recently. Of course, there is still a lag between when national investment recovers and local high-tech employment improves. The current schedule shows the high-tech sector is back on track in the second half of this year.

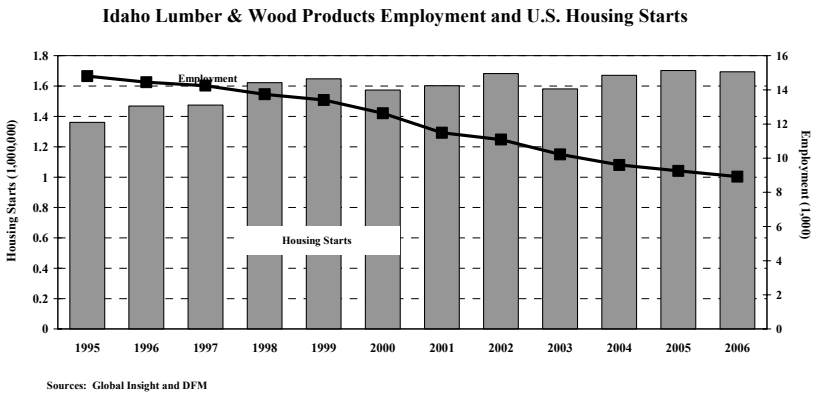
The anticipated growth in the high-tech sector should help lift the state out of its economic funk. It is estimated Idaho nonfarm employment shrank 0.3% in 2002 and real personal income rose 1.8% in 2001. Idaho nonfarm employment is forecast to rise 0.9% this year, 1.9% next year, 2.4% in 2005, and 3.3% in 2006. The accelerating employment growth will have a positive impact on real Idaho personal income. This measure is forecast to rise 2.3% in 2003, 3.3% in 2004, 3.5% in 2005, and 4.1% in 2006.

SELECTED IDAHO ECONOMIC INDICATORS



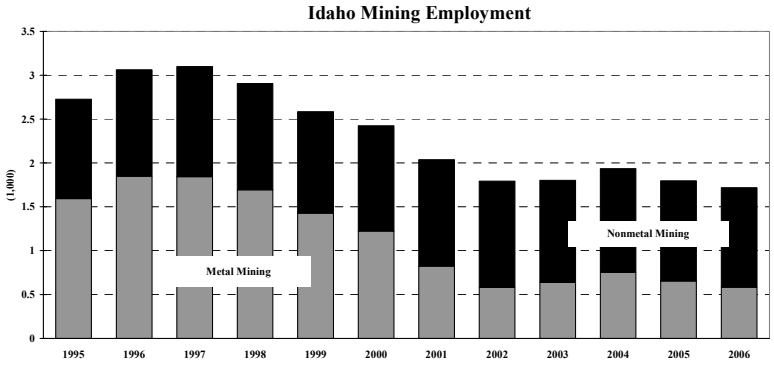
Electrical and Nonelectrical Machinery: The Gem State's high-tech sector is going through one of the toughest periods of its existence. Compared to the resource-based sectors, Idaho's high-tech sector is relatively young. According to historical records, this sector had approximately 1,800 employees in 1970, which was less than 3.0% of the state's manufacturing employment base. High-tech employment began to take off in the second half of the 1970s, and by 1980 the number of jobs had swelled to over 6,500. Interestingly, this was a period where significant changes had started to befall the state's stalwart resource industries. For example, from 1979 to 1980 alone employment in the lumber and wood products sector shrank by nearly 4,400, or about 70.0% of that decade's gain. High-tech employment enjoyed moderate growth through the mid-1980s, then took off in the late 1980s. In the three-year period 1988 to 1990, employment jumped by nearly 4,200, which was more than in the previous dozen years. At times this sector seemed to defy gravity. Nationally, over 400,000 electrical and nonelectrical jobs were lost from 1989 to 1991. During this same period, and despite a national recession, Idaho high-tech sector added 2,100 jobs, a growth rate of almost 20.0%. It continued to expand through most of the 1990s. By 1995 it was the state's largest manufacturing employer, accounting for one out every four jobs. Unfortunately, it has not escaped the most recent manufacturing slump; it experienced its first employment decline since 1986 in 1999. The collapse in business investment has also played havoc with this sector. During the second half of the 1990s, U.S. real business investment grew over 10% annually. High-tech investment did particularly well during this period. Fueled by the widespread use of the World Wide Web, the Telecommunications Act of 1996, and Y2K, combined real spending on software, computers, and communications equipment advanced over 25% per year. In response to this strong demand, the output of office and computer equipment rose nearly 40% per year from 1995 to 2000 and the output of electronic components grew about 50% per year. The good times ended in 2001. In that year, real spending on equipment and software declined 4.4%. This put the brakes on office and computer equipment output growth, causing it to slow to just 2.3% in 2001. A local victim of the collapse is Jabil Circuit. The company closed its two-year old Meridian, Idaho manufacturing plant. This move cost an estimated 500 high-tech employees their jobs. The closure is another setback during one of the high-tech sector's most challenging periods. Unfortunately, this is just one in a series of layoffs. The ex-Jabil Circuit employees will join the ranks of the approximately 4,000 other Idaho high-tech employees that have lost jobs during the current downturn. After a devastating year, Idaho's electrical and nonelectrical sector's employment is expected to eke out a modest 1.2% gain this year, grow 7.6% in 2004, 7.9% in 2005, and 8.1% in 2006.

Lumber and Wood Products: Idaho lumber and wood products employment is expected to continue to shrink over the forecast period. This outlook reflects the impacts of long-term trends over short–term cycles. The demand for lumber is not the problem. In fact, the housing industry has remained strong during the recession. What is hurting the industry is the glut of lumber in the market, which has put downward pressure on prices and squeezed profits. The reasons for the excess supply include the strong U.S. dollar, Canadian competition, and the collapse of exports, which have directed more products into the North American market. A structural problem facing this industry is its chronic over capacity. One

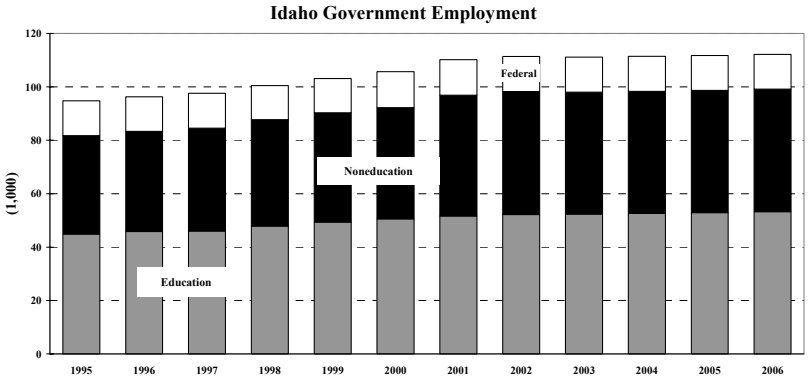


estimate shows this industry is already geared up to produce 20% to 25% more lumber than is being consumed in North America and Canada. As such competition for the lucrative U.S. market has been brutal. The good news is the excess supply will eventually disappear. But the bad news is it will result from the anticipated closure of older and less-efficient mills. There are more challenges. Like most of the region, the health of the Gem State's industry depends on an adequate supply of public timber. Federal records show the amount of timber harvested from federal lands has indeed declined. According to U.S. Department Agriculture, the total amount of timber harvested in Idaho fell from 1.8 million board feet in 1990 to 1.2 billion board feet in 2000, a 31% drop. These data also show that harvests from Idaho national forests fell an astounding 78% over this decade. The toll of this dwindling supply of logs has been high. Approximately 125 jobs were lost when the former Boise Cascade mill in Cascade, Idaho ceased operations in 2001. About 250 jobs were lost last year when the Emmett, Idaho mill was closed. Potlatch shuttered its Jaype Mill near Pierce the previous year, a move that cost about 215 high-paying jobs. Unfortunately, mill closings have become an all-too-frequent occurrence in the West. *Random Lengths* recently reported that there were 337 sawmills, plywood plants, veneer mills, and board mills operating in Oregon, Washington, California, Idaho, and Montana, which was just over half the 663 that were in operation ten years ago. Idaho lumber and wood products employment is forecast to drop from 11,090 in 2002 to 8,915 in 2006.

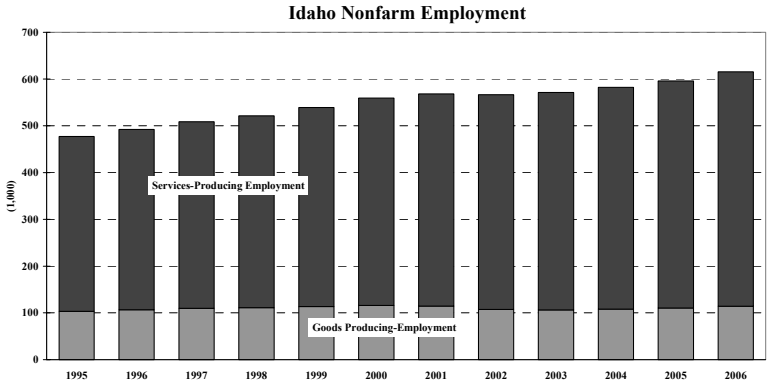
Mining and Chemicals: Like the state's other resource-based sectors, Idaho's mining and chemical industries have struggled recently. The state's mining sector suffered its fifth straight year of employment declines in 2002. After peaking at about 3,100 jobs in 1997 it had less than 1,800 jobs in 2002. Most of the job losses were in the metal mining component, which shed over 1,200 jobs from 1997 to 2002. The state's chemical sector has also fallen on hard times. Most notably, Astaris closed its Pocatello elemental phosphorus plant after more than a half a century of operation. Job cuts had been anticipated even before the October 11, 2001 closure announcement. Last March, the company reported its plan to shut down three of its four production furnaces and was planning to reduce its work force by half (around 200) by June 2002. The approximately 300 remaining employees and several hundred construction workers lost their jobs when plant permanently closed its doors. This type of closure is a major upheaval that sends shock waves through the community where they are located. This is because these companies are often the area's largest employer and have the highest paying jobs. Once these companies close down, they are not easily replaced. Unfortunately, Astaris is not the only Gem State chemical manufacturer to fall on hard times. Kerr-McGee closed its Soda Springs plant due to the low price of vanadium. Idaho mining employment is expected to grow both his year and next, but decline in



2005 and 2006. The Gem State's chemical sectors employment slide that started in 2001 is project to continue through 2006.



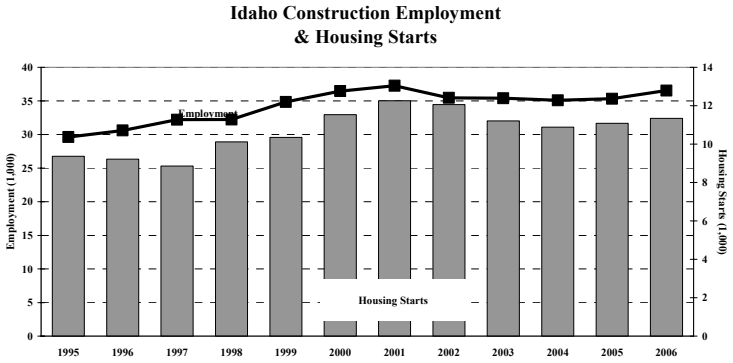
Federal, State, and Local Governments: The anticipated tapering down of Idaho population growth and tight budgets should cause Idaho state and local employment to slow considerably over the forecast period The connection between population growth and government employment is well documented. To see this, one can review the historical record. From 1990 to 2000, Idaho's population jumped 28.5%. Traditionally, population swings of this scale in the Gem State are tied to migration. Bolstered by the state's booming economy, newcomers flocked to Idaho over the last decade. This in-migration tidal wave accounted for two-thirds of the increase in total population. Faced with growing pains that accompanied a fast growing state, all levels of government scrambled to ease the strain on the state's infrastructure. Idaho state and local government employment advanced over 3.5% annually during the first half of the 1990s in response to rapidly expanding needs. As the population growth slowed, governments took the opportunity to catch up. As the pressure from population eases further, the rate of job expansion will slow. But this is just one of the factors affecting employment growth. Local government budget caps will put an upper limit on employment growth. In addition, the tight state budget will also limit government payrolls. As a result of these factors, Idaho state and local government payrolls are expected to decline 0.3% in 2003, then rise 0.3% in 2004, 0.4% in 2005, and 0.5% in 2006. The fate of federal government employment in Idaho is determined by decisions made in Washington, D.C. While federal spending may be boosted, it remains to be seen how it will benefit Idaho. Increased spending on the military and homeland defense should have a limited impact locally because the U.S. military has a relatively small presence in this state. Idaho federal government employment is anticipated to decrease from 13,143 in 2002 to 12,991 in 2006.



Services-Producing Industries: The state's services-producing sector is expected to be the sole source of new jobs in 2003. This is a repeat of what took place last year. In 2002, it is estimated Idaho total nonfarm employment declined 0.3%. This was the net of the 6.2% decline in the goods-producing sector and the 1.2% increase in the services-producing sector. This year, the goods-producing sector is anticipated to retreat 1.1% and the services-producing sector should advance 1.3%. As a result, Idaho total nonfarm employment is projected to rise 0.9% in 2003. The growth of the services-producing sector reflects both cyclical and secular factors. This sector's slower growth since the 2001 recession shows it is not immune from a business downturn. For example, some local call centers have been temporarily closed due to lack of business. However, it has fared well compared to the state's goods-

producing sector. This reflects the nature of the recession. While most recessions are consumer driven, the 2001 recession resulted from a collapse in business investment. This has taken a heavy toll on the state's high tech companies. In addition, the state's natural resource industries have been reeling for several years. Thus, the services-producing sector was less vulnerable to the recession. Long-term changes present a brighter future for this important sector. Traditionally, the goods-producing sector determined the short–term fortunes of the services sector. For example, local implement dealers suffered if farmers fell on hard times. Automobile dealerships can trace their most prosperous times to when high-tech manufacturers handed out bonus checks to their employees. Of course, the roles of the goods-producing and services-producing sectors sometimes overlap. For example, construction is classified as a goods-producing activity, but clearly instead of being a primary driver of economic activity, its performance is largely driven by activity in other sectors. As the economy evolves, services-based industries are becoming less dependent on other industries. Instead of being driven by basic economic activity, they have become the drivers. An example of this trend is the growing number of call centers in Idaho. The call centers are involved in a wide range of activities including sales, help lines, telemarketing, customer services, and market research. Call centers also include a wide variety of business sectors. These include manufacturing, transportation, communications, trade, finance, insurance, business services, and research and development. These companies have flourished in Idaho because new technology frees companies from being located near their markets. Instead, they are drawn to Idaho because of its high quality labor force. This has created opportunities in the Gem State that a few years ago would have seemed impossible. For example, Dell Computer recently opened a new service center in Twin Falls, Idaho, although the company is based in Texas. In another example, landlocked Boise is the home to a Japanese shipping company's scheduling operations. Although the connection between goods- and services-producing sectors have blurred, they have not been severed. In fact, in some cases they have even been reinforced. For example, some manufacturers employ temporary employees to meet peak production. As a result, their numbers wax and wane with the manufacturers' business cycle. These workers are often employed by employment services, so they are classified as service employees rather than manufacturing employees. Another trend affecting service employment is the increasing presence of national "big-box" merchandisers in the Gem state. During the 1990s, many Idaho communities' populations achieved the critical mass that attracted these companies. Recent openings by such industry giants as Fred Meyer, Home Depot, and Wal-Mart have provided employment opportunities in both urban and rural communities. Services-producing employment is projected to increase 1.3% in 2003, 1.9% in 2004, 2.4% in 2005, and 3.3% in 2006.

Construction: Idaho's job creation engine will be short an important piston over the next few years. During the state's long economic expansion, construction employment has grown at an above-average pace. From 1988 to 2001, construction employment advanced an average of 7.5% per year, which made it one of the state's fastest growing sectors. At this pace, the level of employment nearly tripled from just fewer than 14,000 to 37,537. This stellar growth was largely fueled by the strong demand for housing that was caused by strong in-migration into the Gem State. Housing starts surged from about 3,300 units in 1988 to nearly 12,800 units in 1994. Housing starts did settle down to about 9,400 units in 1995. Since then, total housing starts have hovered in the 9,000- to 11,000-unit



range. Nonresidential construction also deserves credit for this sector's strong showing. Projects such as the Boise Towne Square Mall and the rebuilding of downtown Boise's infrastructure helped boost employment during the early years of the boom and provided an important cushion when housing starts dropped in 1995. Given the cooling economy, strained state and local government budgets, and slower population growth, both residential and nonresidential building are not expected to match their earlier strong performances. On the bright side, neither is construction projected to suffer a bust. One of the reasons for this is the state's demand and supply for housing is not as far out of balance as in other states. This is because Idaho builders were in catch-up mode during most of the expansion period. Thus, the state never developed a significant housing inventory surplus. Idaho housing starts are expected fall this year and next, then recover gradually in 2005 and 2006. Idaho construction employment is forecast decline 0.2% in 2003, 0.9% in 2004 and rise 0.7% in 2005 and 3.4% in 2006.

FORECASTS COMPARISON

Idaho has a dynamic economy whose growth is influenced by a myriad of local, national, and international factors. Therefore, changes to the projected values of such diverse variables as oil prices, interest rates, and national housing starts can have an effect at the state level. In order to account for the effects of such changes on the state's economy, each issue of the *Idaho Economic Forecast* uses Global Insight's most recent forecast of the U.S. economy. Additional data, such as company-specific expansions and/or contractions are also considered.

The following comparison table shows how the outlooks for several key Idaho and national economic series have changed from the October 2002 to the January 2003 *Idaho Economic Forecast*. The October 2002 Idaho forecast is based on Global Insight's October 2002 baseline forecast and the January 2003 Idaho forecast is driven by Global Insight's December 2002 baseline U.S. macroeconomic forecast.

The table on the facing page highlights some of the differences for several key national and Idaho variables between the current and previous forecast. A look at the table shows the outlook for real GDP for 2002 and 2003 is virtually unchanged. However, it has clearly improved in the longer term, with the forecast of real GDP nearly 0.5% higher in 2005 and almost 1.0% higher in 2006. Interestingly, this change has nothing to do with an improvement in nominal GDP and everything to do with the current projections of lower inflation. Indeed, the table shows the current nominal GDP estimates are lower than was published in October 2002. However, inflation is even weaker than previously forecast, with the net result being stronger real GDP in the current forecast. This pattern is repeated with U.S. personal income forecast. Unfortunately, the anticipated stronger real output growth does not translate into a brighter employment picture. In fact, nonfarm employment is weaker in every year of the forecast, with the goods-producing sector being relatively harder hit than the services-producing sector.

Idaho nonfarm employment is actually stronger in 2002 thanks to data that show the previous forecast was a bit on the pessimistic side. Specifically, Idaho nonfarm employment is now 512 higher in the first quarter of 2002 and almost 7,000 higher in the second quarter than has been previously reported. On an annual basis, Idaho nonfarm employment is about 3,700 higher. Unfortunately, like its national counterpart, it is not expected to hold this advantage over the forecast period. By the 2005, it is expected to be about 1,250 lower than in the previous forecast. The largest gap between the current and previous forecasts of nominal personal income occurs in 2003. After that year, the difference is expected to narrow annually, but the current forecast remains below the previous estimate. Due to the lower inflation in the current forecast, Idaho real personal income fares better than its nominal companion. Specifically, it is below the previous forecast in 2002 and 2003, but in 2004 and 2005 is higher than in the previous forecast.

IDAHO ECONOMIC FORECAST

FORECASTS COMPARISON
DIFFERENCES BETWEEN
JANUARY 2003 AND OCTOBER 2002 FORECASTS

	1999	2000	2001	2002	2003	2004	2005
GDP (BILLIONS)							
Current $	0	0	0	-14	-81	-72	-87
% Difference	*0.0%*	*0.0%*	*0.0%*	*-0.1%*	*-0.7%*	*-0.6%*	*-0.7%*
1996 Chain-Weighted	0	0	0	4	-3	43	86
% Difference	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.4%*	*0.8%*
PERSONAL INCOME - CURR $							
Idaho (Millions)	0	0	0	-118	-359	-122	-34
% Difference	*0.0%*	*0.0%*	*0.0%*	*-0.3%*	*-1.0%*	*-0.3%*	*-0.1%*
U.S. (Billions)	0	0	0	-16	-49	-30	-43
% Difference	*0.0%*	*0.0%*	*0.0%*	*-0.2%*	*-0.5%*	*-0.3%*	*-0.4%*
PERSONAL INCOME - 1996 $							
Idaho (Millions)	0	0	0	-67	-105	221	475
% Difference	*0.0%*	*0.0%*	*0.0%*	*-0.2%*	*-0.3%*	*0.7%*	*1.4%*
U.S. (Billions)	0	0	0	-4	13	61	98
% Difference	*0.0%*	*0.0%*	*0.0%*	*-0.1%*	*0.2%*	*0.7%*	*1.1%*
TOTAL NONFARM EMPLOYMENT							
Idaho	1	4	2	3,702	206	-1,329	-1,253
% Difference	*0.0%*	*0.0%*	*0.0%*	*0.7%*	*0.0%*	*-0.2%*	*-0.2%*
U.S. (Thousands)	0	0	0	0	-742	-906	-606
% Difference	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*-0.6%*	*-0.7%*	*-0.4%*
GOODS PRODUCING SECTOR							
Idaho	1	2	2	1,087	806	255	-46
% Difference	*0.0%*	*0.0%*	*0.0%*	*1.0%*	*0.8%*	*0.2%*	*0.0%*
U.S. (Thousands)	0	0	0	2	-159	-332	-459
% Difference	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*-0.7%*	*-1.4%*	*-1.9%*
SERVICE PRODUCING SECTOR							
Idaho	0	1	0	2,616	-600	-1,584	-1,207
% Difference	*0.0%*	*0.0%*	*0.0%*	*0.6%*	*-0.1%*	*-0.3%*	*-0.2%*
U.S. (Thousands)	0	0	0	-2	-583	-573	-148
% Difference	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*-0.5%*	*-0.5%*	*-0.1%*
FINANCIAL MARKETS							
Federal Funds Rate	0.0%	0.0%	0.0%	-0.1%	-0.4%	-0.1%	0.0%
Bank Prime Rate	0.0%	0.0%	0.0%	-0.1%	-0.4%	-0.1%	0.0%
Mort Rate, Existing Homes	0.0%	0.0%	0.0%	-0.1%	-0.2%	1.3%	0.7%
INFLATION							
GDP Price Deflator	0.0	0.0	0.0	-0.2	-0.8	-1.2	-1.8
Personal Cons Deflator	0.0	0.0	0.0	-0.1	-0.8	-1.2	-1.8
Consumer Price Index	0.0	0.0	0.0	-0.2	-1.1	-1.9	-3.0

Forecast Begins the THIRD Quarter of 2002

ALTERNATIVE FORECASTS

Global Insight has assigned a 55% probability of occurrence to its December 2002 baseline forecast of the U.S. economy. The major features of this forecast includes:

- Real GDP increases 2.4% in 2002, 2.9% in 2003, 4.5% in 2004, 3.7% in 2005, and 3.4% in 2006;
- U.S. nonfarm employment declines 0.8% in 2002, advances 0.8% in 2003, 2.5% in 2004, 1.9% in 2005, and 1.2% in 2006;
- annual average U.S. civilian unemployment peaks at 5.9% in 2003 and falls gradually to 5.1% by 2006;
- the consumer confidence index bounces between 90 and 97 over the forecast period;
- consumer inflation is 1.6% in 2002 and averages less than 2.5% thereafter;
- the federal government deficit peaks in 2004;
- and the current balance deficit swells to $731 billion by 2005.

While the baseline forecast is the most probable, other outcomes are also possible. The alternative scenarios considered here diverge in opposite directions from the baseline forecast. In the first, the economy performs better than in the baseline. In the second, the economy falls short of the baseline's showing. One of the biggest concerns is the economy will slip into a double-dip recession. Global Insight has been steadfast in its opinion this will not occur. While in the Pessimistic Alternative economic growth is slower than in the baseline case, the economy does not decline. Both alternatives and their impacts on the Idaho economy are discussed below.

OPTIMISTIC SCENARIO

The U.S. economy is in a funk. But it is also close to coming out of that funk. The *Optimistic Scenario* explores the impacts a few favorable factors would have on the economy's direction. It has been assigned a 15% probability of occurrence. This scenario assumes the U.S. economy gets a boost from several sources. Rest-of-the-world growth is 0.5-percentage point higher than in the baseline. The rebound in capital spending, particularly on equipment is also stronger. Consumer sentiment is higher in this scenario, which lifts consumer spending above its baseline counterpart. Fiscal policy is also more accommodating, with an assumed cut to corporate taxes that boost businesses confidence.

As a result of these factors, GDP grows twice as fast in the last quarter of 2003 compared to the baseline (1.2% versus 0.6%). Instead of languishing through the first half of this year like in the baseline, the economy springs back to life in the first quarter of 2003. It posts four straight quarters of 4.0%-plus growth. This translates to 3.8% annual growth from 2002 to 2003, which is significantly higher than the baseline's 2.9% real GDP growth. Growth is stronger in all sectors: consumer spending, exports, and business investment. After this year, real GDP advances 4.6% in 2004, 3.3% in 2005, and 3.1% in 2006. In the *Baseline Scenario*, Real GDP rises 4.5% in 2004, 3.7% in 2005, and 3.4% in 2006.

The stronger U.S forecast brightens the prospects for Idaho's economy, especially in the short term. In the *Baseline Scenario* the Gem State's nonfarm employment increases just 0.9% in 2003 and 1.9% in 2004. In the *Optimistic Scenario*, this same measure rises 1.3% this year and 2.3% next year. By 2004, Idaho nonfarm employment is expected to be 587,4000, which is about a percent higher than the

IDAHO ECONOMIC FORECAST

CURRENT AND ALTERNATIVE FORECASTS

JANUARY 2003

	BASELINE					OPTIMISTIC					PESSIMISTIC				
	2002	**2003**	**2004**	**2005**	**2006**	**2002**	**2003**	**2004**	**2005**	**2006**	**2002**	**2003**	**2004**	**2005**	**2006**
GDP (BILLIONS)															
Current $	10,444	10,969	11,744	12,447	13,114	10,448	11,081	11,899	12,565	13,171	10,443	10,740	11,490	12,234	12,916
% Ch	*3.6%*	*5.0%*	*7.1%*	*6.0%*	*5.4%*	*3.6%*	*6.1%*	*7.4%*	*5.6%*	*4.8%*	*3.6%*	*2.8%*	*7.0%*	*6.5%*	*5.6%*
1996 Chain-Weighted	9,435	9,707	10,142	10,516	10,873	9,438	9,793	10,243	10,585	10,912	9,433	9,527	9,978	10,388	10,759
% Ch	*2.4%*	*2.9%*	*4.5%*	*3.7%*	*3.4%*	*2.4%*	*3.8%*	*4.6%*	*3.3%*	*3.1%*	*2.4%*	*1.0%*	*4.7%*	*4.1%*	*3.6%*
PERSONAL INCOME - CURR $															
Idaho (Millions)	33,891	35,387	37,436	39,591	42,011	33,895	35,680	37,929	39,998	42,253	33,890	34,931	36,680	39,020	41,461
% Ch	*4.2%*	*4.4%*	*5.8%*	*5.8%*	*6.1%*	*4.2%*	*5.3%*	*6.3%*	*5.5%*	*5.6%*	*4.2%*	*3.1%*	*5.0%*	*6.4%*	*6.3%*
U.S. (Billions)	8,944	9,362	9,956	10,550	11,131	8,946	9,453	10,107	10,682	11,213	8,943	9,211	9,713	10,358	10,950
% Ch	*3.0%*	*4.7%*	*6.4%*	*6.0%*	*5.5%*	*3.0%*	*5.7%*	*6.9%*	*5.7%*	*5.0%*	*3.0%*	*3.0%*	*5.5%*	*6.6%*	*5.7%*
PERSONAL INCOME - 1996 $															
Idaho (Millions)	30,507	31,208	32,241	33,375	34,744	30,510	31,429	32,577	33,642	34,936	30,507	30,831	31,715	33,019	34,407
% Ch	*2.8%*	*2.3%*	*3.3%*	*3.5%*	*4.1%*	*2.8%*	*3.0%*	*3.7%*	*3.3%*	*3.8%*	*2.8%*	*1.1%*	*2.9%*	*4.1%*	*4.2%*
U.S. (Billions)	8,051	8,256	8,575	8,894	9,206	8,052	8,327	8,681	8,984	9,272	8,050	8,130	8,398	8,765	9,087
% Ch	*1.6%*	*2.6%*	*3.9%*	*3.7%*	*3.5%*	*1.6%*	*3.4%*	*4.3%*	*3.5%*	*3.2%*	*1.6%*	*1.0%*	*3.3%*	*4.4%*	*3.7%*
TOTAL NONFARM EMPLOYMENT															
Idaho (Thousands)	566.5	571.4	582.0	595.8	615.4	566.5	574.0	587.4	600.2	618.3	566.5	567.1	573.6	590.1	610.6
% Ch	*-0.3%*	*0.9%*	*1.9%*	*2.4%*	*3.3%*	*-0.3%*	*1.3%*	*2.3%*	*2.2%*	*3.0%*	*-0.3%*	*0.1%*	*1.1%*	*2.9%*	*3.5%*
U.S. (Millions)	130.8	131.9	135.1	137.7	139.5	130.8	132.5	136.1	138.4	139.7	130.8	130.7	133.2	136.4	138.5
% Ch	*-0.8%*	*0.8%*	*2.5%*	*1.9%*	*1.2%*	*-0.8%*	*1.2%*	*2.7%*	*1.7%*	*0.9%*	*-0.8%*	*-0.1%*	*2.0%*	*2.4%*	*1.5%*
GOODS PRODUCING SECTOR															
Idaho (Thousands)	107.5	106.3	108.0	110.5	114.1	107.5	107.2	109.5	111.3	114.3	107.5	104.7	105.9	109.2	113.4
% Ch	*-6.2%*	*-1.1%*	*1.6%*	*2.3%*	*3.3%*	*-6.2%*	*-0.3%*	*2.2%*	*1.6%*	*2.7%*	*-6.2%*	*-2.6%*	*1.1%*	*3.1%*	*3.9%*
U.S. (Millions)	23.8	23.4	23.6	24.0	24.3	23.8	23.6	24.1	24.5	24.4	23.8	23.1	22.9	23.4	23.8
% Ch	*-4.4%*	*-1.7%*	*0.8%*	*1.6%*	*1.1%*	*-4.4%*	*-0.9%*	*2.1%*	*1.4%*	*-0.1%*	*-4.4%*	*-3.2%*	*-0.8%*	*2.2%*	*1.9%*
SERVICE PRODUCING SECTOR															
Idaho (Thousands)	459.1	465.1	474.0	485.4	501.3	459.1	466.9	477.8	488.9	504.0	459.0	462.4	467.8	480.9	497.2
% Ch	*1.2%*	*1.3%*	*1.9%*	*2.4%*	*3.3%*	*1.2%*	*1.7%*	*2.3%*	*2.3%*	*3.1%*	*1.2%*	*0.7%*	*1.2%*	*2.9%*	*3.4%*
U.S. (Millions)	107.0	108.4	111.5	113.7	115.2	107.0	108.8	112.0	114.0	115.2	107.0	107.6	110.3	113.0	114.6
% Ch	*0.0%*	*1.4%*	*2.8%*	*2.0%*	*1.3%*	*0.0%*	*1.7%*	*2.9%*	*1.8%*	*1.1%*	*0.0%*	*0.6%*	*2.6%*	*2.4%*	*1.5%*
SELECTED INTEREST RATES															
Federal Funds	*1.7%*	*1.7%*	*3.3%*	*4.2%*	*4.9%*	*1.7%*	*1.7%*	*3.3%*	*4.2%*	*4.9%*	*1.7%*	*1.2%*	*2.6%*	*3.9%*	*4.8%*
Bank Prime	*4.7%*	*4.7%*	*6.3%*	*7.2%*	*7.9%*	*4.7%*	*4.7%*	*6.3%*	*7.2%*	*7.9%*	*4.7%*	*4.2%*	*5.6%*	*6.9%*	*7.8%*
Existing Home Mortgage	*6.5%*	*6.3%*	*7.5%*	*7.8%*	*7.8%*	*6.5%*	*6.3%*	*7.5%*	*7.7%*	*7.7%*	*6.5%*	*6.2%*	*7.1%*	*7.7%*	*7.8%*
INFLATION															
GDP Price Deflator	*1.2%*	*2.1%*	*2.5%*	*2.2%*	*1.9%*	*1.2%*	*2.2%*	*2.7%*	*2.2%*	*1.7%*	*1.2%*	*1.8%*	*2.2%*	*2.3%*	*1.9%*
Personal Cons Deflator	*1.4%*	*2.1%*	*2.4%*	*2.2%*	*1.9%*	*1.4%*	*2.2%*	*2.6%*	*2.1%*	*1.7%*	*1.4%*	*2.0%*	*2.1%*	*2.2%*	*2.0%*
Consumer Price Index	*1.6%*	*2.3%*	*2.5%*	*2.4%*	*2.2%*	*1.6%*	*2.4%*	*2.7%*	*2.3%*	*2.0%*	*1.6%*	*2.3%*	*2.2%*	*2.3%*	*2.2%*

Forecast Begins the THIRD Quarter of 2002

baseline's 582,000. After 2004, the situation reverses itself, and nonfarm employment grows marginally faster in the *Baseline Scenario* than in the *Optimistic Scenario*. However, this late push does not offset the *Optimistic Scenario's* early strength. As a result, Idaho nonfarm employment in 2006 is about 3,000 higher than in the *Baseline Scenario*. Idaho real personal income displays a similar growth pattern. Namely, in the *Optimistic Scenario* it advances faster than its baseline counterpart in 2003 and 2004, but is slightly slower in the last two years of the forecast. As was the case with nonfarm employment, this results in the level of Idaho personal income being higher in 2006 in the *Optimistic Scenario*.

PESSIMISTIC SCENARIO

This scenario has been assigned a 30% probability of occurrence. Consumer spending has kept the recession mild, but the slow recovery is testing their patience. This scenario explores the impacts if consumers have a crisis of confidence. There are several factors that could cause this. Household budgets are stretched thinner than ever, and credit problems are on the rise. The housing market shows signs of cooling off. This alternative assumes this causes the housing bubble to burst. Consumer confidence also suffers when Congress fails to reinstate the extension of unemployment benefit and fails to agree on tax reduction. This causes real GDP to be stagnant in the last quarter of 2002 and the first quarter of 2003. In the second quarter of 2003, real GDP declines 1.6%.

What finally comes to the economy's rescue is time. Inventories are at bare bones levels and companies have returned to profitability. In 2004, both consumers and businesses make up for lost time. Vehicle sales surge and investment in equipment and software climbs at a double-digit pace. Manufacturing gets a double boost from the pick up in demand and the need to rebuild inventories. The spending spree slows in 2005, but by then the private sector is propelling growth and the unemployment rate is back down to 5.5%. Real GDP rises 1.0% in 2003, 4.7% in 2004, 4.1% in 2005, and 3.6% in 2006.

The slower recovery in the *Pessimistic Scenario* deals the Idaho economy a blow from which it does not recover. The difference between this forecast and the baseline forecast is especially noticeable this year and next. In both years, Idaho nonfarm employment grows 0.8-percentage point slower than in the baseline. But nonfarm employment does grow faster than in the baseline in 2005 and 2006. In 2006, Idaho nonfarm employment is about 5,000 less than in the *Baseline Scenario*. Idaho real personal income also grows slower in 2003 and 2004 and faster in 2005 and 2006. In the last year of the forecast, Idaho real personal income is $34.4 billion, which is $300 million lower than the baseline's $34.7 billion.

Recent Trends in Unemployment Duration

Rob Valletta

The recession that began in early 2001 probably has ended, as national output grew moderately during the first three quarters of 2002. Unemployment, however, remains a problem. Between late 2000 and early 2002, the national unemployment rate increased by about 2 percentage points, from 3.9% to about 6%; this represents about 2.8 million additional individuals looking for work. Thus far in 2002, payroll employment has been flat to down nationwide, and the unemployment rate has stayed stubbornly close to 6%, raising the specter of a "jobless recovery" from the 2001 recession. Persistent labor market weakness implies that the amount of time spent unemployed (unemployment duration) is likely to increase, which in turn has important implications for household well-being.

In this *Economic Letter*, I discuss the concept of unemployment duration, the various measures available, and the evidence regarding the pattern of unemployment duration in the current cycle compared to past cycles. Reliable measures of the expected length of unemployment spells indicate that although duration increased more than expected in recent months, it has not been especially long during the recent economic downturn. Underlying this may be the improved labor market conditions of the 1990s expansion, which acted to offset a long-term trend toward rising duration of unemployment.

Unemployment duration

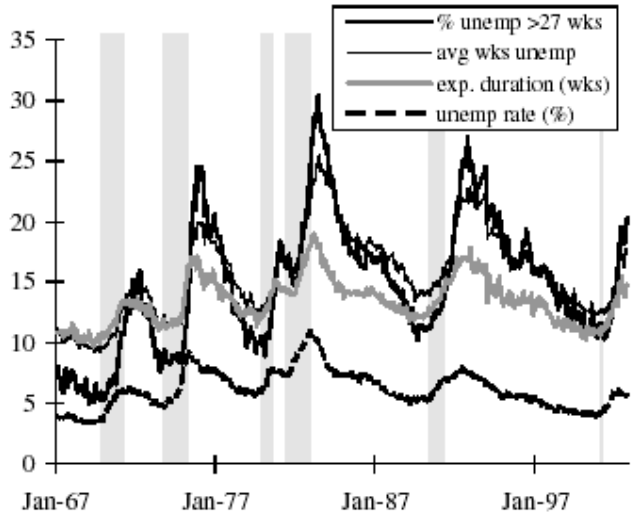
Unemployment duration refers to the amount of time that an individual remains unemployed. In the 1970s and 1980s, scholars and policymakers debated whether the typical unemployment spell in the U.S. is best described as "long" or "short." This distinction is critically important for assessing the economic efficiency and equity aspects of unemployment. The short view emphasized the dynamic nature of unemployment, focusing on job turnover and implying that the pool of unemployed typically is dominated by a large number of individuals who experience relatively short spells of unemployment (a month or two at most). This view generally is consistent with voluntary search activity by unemployed individuals and employer reliance on temporary layoffs for cyclical employment adjustments. In contrast, advocates of the long view argued that the pool of unemployed typically is dominated by individuals who experience relatively long spells of unemployment (three months or more) and are best described as "involuntarily" unemployed, often through permanent job loss. Thus, the two views pose the extremes of a well-functioning market for matching workers and employers in which the burden of unemployment is widely dispersed and a situation in which a relatively small number of workers bear the burden of a persistent shortage of appropriate jobs.

Of course, the truth about unemployment lies somewhere in between the extremes of short and long durations. No matter what duration structure characterizes unemployment under typical labor market conditions, however, the deterioration in labor market

conditions that occurs during a recession implies a cyclical increase in the incidence and share of long spells of unemployment. As recessions persist, rising unemployment rates are accompanied by rising unemployment durations. Although households can rely on savings to tide them over during short spells of unemployment, their ability to do so declines as unemployment spells lengthen. As such, rising unemployment duration during economic downturns can have adverse consequences for household spending and financial solvency and may act to stifle the recovery. Policy responses to recessionary unemployment therefore tend to focus on long spells--for example, in March 2002 Congress extended unemployment insurance benefits from 26 weeks to 39 weeks (up to 52 weeks in states with high unemployment rates). Such measures can reduce the hardship associated with long spells but may have the adverse side effect of lengthening unemployment by reducing the costs of job search.

Duration measures

Figure 1
Unemployment duration and rate



Note: The shaded areas and vertical line respectively represent recessions and a business cycle peak as defined by the National Bureau of Economic Research.

A variety of different measures of unemployment duration at the national level are available on a monthly basis, each based on data from the monthly household survey administered by the U.S. Census Bureau and Bureau of Labor Statistics (BLS). Figure 1 displays three of these measures for the period January 1967 to October 2002, plotted along with the unemployment rate as a standard indicator of the cyclical status of the labor market. Each of these measures is corrected for the changes in survey design implemented beginning in January 1994. These changes affected the measurement of unemployment duration and other labor force variables. To make the series used below consistent over time, I applied the adjustment factors described in Polivka and Miller (1998).

Perhaps the most commonly cited measure of unemployment duration is "average weeks unemployed," which is tabulated and released each month by the BLS. It measures the average duration of unemployment spells sampled while in progress, at the time of the survey. As seen in Figure 1, this series exhibits pronounced cyclical swings, rising from about 11-12 weeks at business cycle peaks to above 20 weeks shortly after the end of severe recessions.

Although it measures average duration for unemployed individuals at a point in time, the average duration series does not represent the completed duration of unemployment that a

newly unemployed individual can expect to face ("expected duration"). Because the average duration is calculated based on all in-progress spells, it contains both an upward and a downward bias with respect to the measurement of the expected duration for a newly unemployed individual. The upward bias occurs because longer spells, purely by virtue of their length, are more likely to be in the monthly unemployment sample than are shorter spells. The downward bias arises because the use of in-progress spells precludes measurement of completed spell durations. For example, an employee laid off owing to a plant closure might expect to be out of work for many weeks. However, in the person's initial phase of unemployment, the household survey will record an unemployment spell of just a few weeks. On average, the duration is measured about halfway through the spell.

Although the two biases can in principle cancel out, in recessions the upward bias tends to outweigh the downward bias, leading to an overstatement of expected duration for a newly unemployed individual. This dominance of the upward bias can be seen in part by examining the series representing the percentage unemployed for at least 27 weeks, also displayed in Figure 1. This measure of long-term unemployment exhibits especially wide cyclical swings, varying from around 10% during cyclical peaks to as high as 30% during severe recessions. The sharp increase in the measured incidence of long spells during recessions raises the level of the average duration measure well above the expected duration for newly unemployed individuals.

Estimating the expected duration for newly unemployed individuals is possible, however, through use of additional BLS unemployment duration figures. Valletta (1998) demonstrated a simple method based on a transformation of the percentage of all unemployed who have been unemployed fewer than five weeks in the survey month (new monthly entrants to unemployment). The cyclical properties of this constructed series are similar to those for estimates of expected duration that are based on more detailed and precise tabulations of individual duration experiences (see, e.g., Baker 1992). The simple estimate of expected duration, tabulated according to the technique in Valletta (1998), is displayed in Figure 1. It exhibits less pronounced cyclical swings than do the other duration measures, ranging from a low of about 10 weeks to a high of about 19 weeks. The upward bias in the average duration measure (as a measure of expected duration) can be seen in this figure: average and expected duration are close when the labor market is tight, but average duration substantially overestimates expected duration during periods of high unemployment.

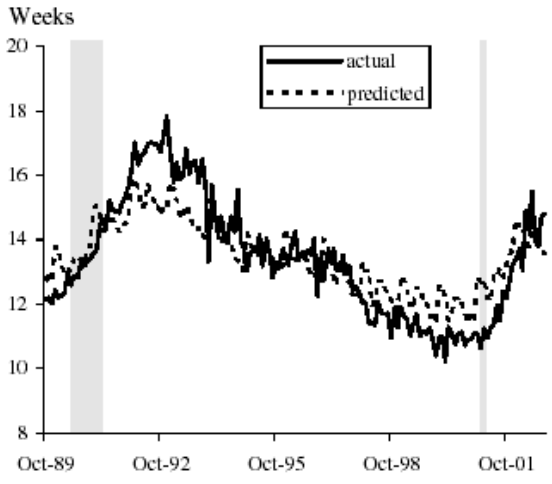
Is duration high or low in 2002?

Despite the persistence of the current slowdown, unemployment measures suggest that it is not as severe as the preceding three major recessions (1975-1976, 1982-1983, and 1991). The recent peak unemployment rate of 6.0% is well below the peaks reached in those earlier recessions. Consistent with this, each of the duration measures has remained below its peak in the three preceding recessions (Figure 1). For example, the expected duration of unemployment hovered around 15 weeks from June to October of this year, well below its peaks of about 18-19 weeks in the past two recessions. Given the recent

up-and-down movements in each of the three duration series, the direction of their movement in coming months is uncertain. However, the recent movement contrasts with a steady increase in preceding months, which suggests that a turning point may have been reached and unemployment duration will soon begin to decline. If so, the current slowdown in retrospect probably will be regarded as mild in terms of its effects on unemployment duration.

Another way to assess the severity of unemployment duration in the current slowdown is in purely relative terms. In particular, given the relatively low unemployment rate in the current recession compared to past recessions, it is useful to ask whether unemployment duration is long relative to the current unemployment rate and any long-term trends in unemployment duration. If the unemployment pool has a relatively large share of individuals with long spells, even with a low unemployment rate the uneven burden of unemployment can hamper economic recovery.

Figure 2
Expected duration of unemployment



Note: The shaded area and vertical line respectively represent a recession and business cycle peak as defined by the National Bureau of Economic Research.

Figure 2 addresses this issue by plotting the expected duration of unemployment based on observed data, as defined above, against its predicted value. To focus more clearly on the recent recessionary pattern, the figure displays values for the period October 1989 to October 2002. The prediction model, however, is based on data for the period January 1967 to May 1998 (the same sample as used in Valletta 1998). Thus, the predictions for the period June 1998 to October 2002 are "out of sample" forecasts based on the pre-existing relationships between the variables in the prediction model. This model incorporates only the unemployment rate and a trend over time as explanatory factors, so that the differences between the actual and forecast values represent a break from the pre-existing relationship between current expected duration and the unemployment rate or the long-run trend in expected duration. Measured independently of the unemployment rate, the long-run trend in duration is upwards; as reported by Valletta (1998), expected duration increased by about 17% (approximately 2 weeks) between 1976 and 1998.

The figure indicates that actual expected duration was below its predicted values during much of the late 1990s expansion and most of the recent slowdown to date. The excess of the predicted values over the actual duration indicates that unemployment duration was shorter than we would expect based on the level of unemployment achieved and long-term upward trend in duration. Thus, the economic expansion of the late 1990s may have produced favorable labor market conditions (such as effective job matching) that acted

against a pre-existing trend toward longer unemployment spells. On the other hand, since April of this year actual expected duration has been running a bit above its predicted values, suggesting recent deterioration in job prospects for unemployed workers. This may be only a temporary development, or it may signal that recovery in the labor market will be further delayed; only time will tell.

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Valletta, Robert G. 1998. "Changes in the Structure and Duration of U.S. Unemployment, 1967-1998." FRBSF Economic Review 3, pp. 29-40.
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IDAHO ECONOMIC FORECAST

JANUARY 2003

FORECAST DETAIL

Reporting Conventions

Units of measurement are presented in the individual reports. If not otherwise indicated, population is in millions; income is in billions; and employment is in thousands.

The percentage change numbers given in the annual reports are simple period-to-period percent changes. Since the periods are years, they are thus simple annual changes. The percentage changes given in the quarterly report are period-to-period changes at compound annual rates, following standard practice. A large change in a given quarter can seem to be exaggerated since the calculation assumes the change is compounded over an entire year.

Data Sources

National forecast data are provided by Global Insight and the Food and Agricultural Policy Research Institute (FAPRI). Historical data for the models are obtained from the following agencies: Bureau of the Census (demographic), Bureau of Economic Analysis (income), Bureau of Labor Statistics (employment), Federal Reserve Board of Governors (production), and U.S. Department of Agriculture (farm).

Idaho historical data are obtained from the Department of Labor (employment and hourly earnings), Bureau of Vital Statistics (births and deaths), Division of Financial Management (migration), and the Bureau of Economic Analysis (income).

The Idaho average annual wage is calculated by the Division of Financial Management from Bureau of Economic Analysis and Idaho Department of Labor data. Because of the different methodology used and data available, this figure may not match those published by other sources.

IDAHO ECONOMIC FORECAST

ANNUAL DETAIL

JANUARY 2003

DEMOGRAPHICS

	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996
POPULATION										
Idaho (Thousands)	986.6	988.5	996.7	1,013.1	1,041.2	1,072.1	1,108.6	1,144.9	1,177.0	1,203.2
% Ch	*-0.4%*	*0.2%*	*0.8%*	*1.6%*	*2.8%*	*3.0%*	*3.4%*	*3.3%*	*2.8%*	*2.2%*
National (Millions)	243.1	245.3	247.7	250.6	253.9	257.4	260.7	263.9	267.0	270.1
% Ch	*0.9%*	*0.9%*	*1.0%*	*1.2%*	*1.3%*	*1.3%*	*1.3%*	*1.2%*	*1.2%*	*1.2%*
BIRTHS										
Idaho (Thousands)	15.905	15.759	15.863	16.423	16.741	17.197	17.575	17.690	17.915	18.482
% Ch	*-3.2%*	*-0.9%*	*0.7%*	*3.5%*	*1.9%*	*2.7%*	*2.2%*	*0.7%*	*1.3%*	*3.2%*
National (Thousands)	3,809.0	3,910.0	4,041.0	4,158.0	4,110.0	4,038.0	3,997.0	3,964.0	3,935.0	3,911.0
% Ch	*1.4%*	*2.7%*	*3.4%*	*2.9%*	*-1.2%*	*-1.8%*	*-1.0%*	*-0.8%*	*-0.7%*	*-0.6%*
DEATHS										
Idaho (Thousands)	7.307	7.611	7.389	7.358	7.644	7.887	8.277	8.478	8.553	8.679
% Ch	*-0.5%*	*4.2%*	*-2.9%*	*-0.4%*	*3.9%*	*3.2%*	*4.9%*	*2.4%*	*0.9%*	*1.5%*
National (Thousands)	2,123.0	2,168.0	2,150.0	2,162.0	2,163.0	2,210.0	2,237.0	2,264.0	2,291.0	2,318.0
% Ch	*0.9%*	*2.1%*	*-0.8%*	*0.6%*	*0.0%*	*2.2%*	*1.2%*	*1.2%*	*1.2%*	*1.2%*
NET MIGRATION										
Idaho (Thousands)	-12.542	-6.249	-0.251	7.323	19.017	21.659	27.168	27.115	22.652	16.417
HOUSING										
HOUSING STARTS										
Idaho	3,409	3,334	4,674	5,832	6,600	9,584	11,457	12,766	9,360	9,220
% Ch	*-18.1%*	*-2.2%*	*40.2%*	*24.8%*	*13.2%*	*45.2%*	*19.5%*	*11.4%*	*-26.7%*	*-1.5%*
National (Millions)	1.631	1.488	1.382	1.203	1.009	1.201	1.292	1.446	1.361	1.469
% Ch	*-10.0%*	*-8.7%*	*-7.1%*	*-12.9%*	*-16.2%*	*19.1%*	*7.5%*	*12.0%*	*-5.9%*	*7.9%*
SINGLE UNITS										
Idaho	2,744	2,981	3,711	4,786	5,662	7,900	8,939	9,420	7,281	7,850
% Ch	*-13.1%*	*8.6%*	*24.5%*	*29.0%*	*18.3%*	*39.5%*	*13.1%*	*5.4%*	*-22.7%*	*7.8%*
National (Millions)	1.154	1.083	1.006	0.901	0.835	1.032	1.131	1.191	1.082	1.154
% Ch	*-2.4%*	*-6.2%*	*-7.1%*	*-10.5%*	*-7.3%*	*23.6%*	*9.6%*	*5.4%*	*-9.2%*	*6.7%*
MULTIPLE UNITS										
Idaho	665	353	963	1,046	938	1,684	2,518	3,345	2,079	1,370
% Ch	*-33.9%*	*-47.0%*	*173.2%*	*8.6%*	*-10.3%*	*79.6%*	*49.5%*	*32.9%*	*-37.9%*	*-34.1%*
National (Millions)	0.476	0.405	0.376	0.303	0.174	0.170	0.161	0.255	0.279	0.314
% Ch	*-24.3%*	*-15.0%*	*-7.2%*	*-19.5%*	*-42.6%*	*-2.4%*	*-5.1%*	*58.3%*	*9.4%*	*12.7%*
HOUSING STOCK										
Idaho (Thousands)	324.8	327.1	330.1	334.8	339.8	347.4	356.9	368.7	377.8	386.2
% Ch	*0.8%*	*0.7%*	*0.9%*	*1.4%*	*1.5%*	*2.2%*	*2.7%*	*3.3%*	*2.4%*	*2.2%*

National Variables Forecast by GLOBAL INSIGHT
Forecast Begins the THIRD Quarter of 2002

IDAHO ECONOMIC FORECAST

ANNUAL DETAIL

JANUARY 2003

DEMOGRAPHICS

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
POPULATION										
Idaho (Thousands)	1,228.4	1,252.3	1,275.7	1,299.1	1,320.7	1,336.2	1,350.4	1,365.8	1,380.8	1,396.5
% Ch	*2.1%*	*1.9%*	*1.9%*	*1.8%*	*1.7%*	*1.2%*	*1.1%*	*1.1%*	*1.1%*	*1.1%*
National (Millions)	273.4	276.6	279.7	282.7	285.4	288.0	290.5	293.0	295.6	298.1
% Ch	*1.2%*	*1.2%*	*1.1%*	*1.1%*	*0.9%*	*0.9%*	*0.9%*	*0.9%*	*0.9%*	*0.8%*
BIRTHS										
Idaho (Thousands)	18.599	19.188	19.897	20.304	20.684	20.838	20.973	21.217	21.445	21.712
% Ch	*0.6%*	*3.2%*	*3.7%*	*2.0%*	*1.9%*	*0.7%*	*0.7%*	*1.2%*	*1.1%*	*1.2%*
National (Thousands)	3,892.0	3,880.0	3,874.0	3,872.0	3,876.0	3,885.0	3,901.0	3,925.0	3,955.3	3,991.0
% Ch	*-0.5%*	*-0.3%*	*-0.2%*	*-0.1%*	*0.1%*	*0.2%*	*0.4%*	*0.6%*	*0.8%*	*0.9%*
DEATHS										
Idaho (Thousands)	8.953	9.105	9.488	9.538	9.811	9.942	10.065	10.196	10.323	10.455
% Ch	*3.2%*	*1.7%*	*4.2%*	*0.5%*	*2.9%*	*1.3%*	*1.2%*	*1.3%*	*1.2%*	*1.3%*
National (Thousands)	2,345.0	2,372.0	2,399.0	2,424.0	2,446.0	2,467.0	2,487.0	2,507.0	2,528.0	2,547.8
% Ch	*1.2%*	*1.2%*	*1.1%*	*1.0%*	*0.9%*	*0.9%*	*0.8%*	*0.8%*	*0.8%*	*0.8%*
NET MIGRATION										
Idaho (Thousands)	15.583	13.836	12.974	12.659	10.645	4.688	3.267	4.417	3.800	4.434
HOUSING										
HOUSING STARTS										
Idaho	8,865	10,114	10,348	11,534	12,262	12,060	11,205	10,886	11,081	11,342
% Ch	*-3.8%*	*14.1%*	*2.3%*	*11.5%*	*6.3%*	*-1.6%*	*-7.1%*	*-2.9%*	*1.8%*	*2.4%*
National (Millions)	1.475	1.621	1.647	1.573	1.603	1.683	1.581	1.670	1.702	1.694
% Ch	*0.4%*	*9.9%*	*1.6%*	*-4.5%*	*1.9%*	*5.0%*	*-6.1%*	*5.7%*	*1.9%*	*-0.5%*
SINGLE UNITS										
Idaho	7,660	9,044	9,198	10,390	10,444	10,573	10,040	9,962	10,219	10,276
% Ch	*-2.4%*	*18.1%*	*1.7%*	*13.0%*	*0.5%*	*1.2%*	*-5.0%*	*-0.8%*	*2.6%*	*0.6%*
National (Millions)	1.136	1.278	1.306	1.232	1.273	1.344	1.300	1.327	1.323	1.307
% Ch	*-1.6%*	*12.4%*	*2.2%*	*-5.7%*	*3.3%*	*5.6%*	*-3.3%*	*2.1%*	*-0.3%*	*-1.2%*
MULTIPLE UNITS										
Idaho	1,205	1,069	1,151	1,144	1,818	1,487	1,165	924	861	1,066
% Ch	*-12.0%*	*-11.3%*	*7.6%*	*-0.6%*	*58.9%*	*-18.2%*	*-21.6%*	*-20.7%*	*-6.8%*	*23.7%*
National (Millions)	0.338	0.344	0.341	0.341	0.330	0.338	0.280	0.343	0.380	0.387
% Ch	*7.6%*	*1.6%*	*-0.7%*	*0.1%*	*-3.2%*	*2.5%*	*-17.1%*	*22.3%*	*10.8%*	*1.8%*
HOUSING STOCK										
Idaho (Thousands)	393.7	402.3	411.3	421.2	432.1	442.7	453.0	462.5	472.1	481.9
% Ch	*1.9%*	*2.2%*	*2.2%*	*2.4%*	*2.6%*	*2.4%*	*2.3%*	*2.1%*	*2.1%*	*2.1%*

National Variables Forecast by GLOBAL INSIGHT
Forecast Begins the THIRD Quarter of 2002

IDAHO ECONOMIC FORECAST

ANNUAL DETAIL

JANUARY 2003

OUTPUT, INCOME, & WAGES

	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996
GROSS DOM. PRODUCT (Billions)										
Current Dollars	4,742	5,108	5,489	5,803	5,986	6,319	6,642	7,054	7,401	7,813
% Ch	*6.5%*	*7.7%*	*7.5%*	*5.7%*	*3.2%*	*5.6%*	*5.1%*	*6.2%*	*4.9%*	*5.6%*
1996 Chain-Weighted	6,113	6,368	6,592	6,708	6,676	6,880	7,063	7,348	7,544	7,813
% Ch	*3.4%*	*4.2%*	*3.5%*	*1.8%*	*-0.5%*	*3.1%*	*2.7%*	*4.0%*	*2.7%*	*3.6%*
PERSONAL INCOME - CURR $										
Idaho (Millions)	12,422	13,354	14,721	16,055	16,825	18,382	20,105	21,399	22,869	24,174
% Ch	*4.8%*	*7.5%*	*10.2%*	*9.1%*	*4.8%*	*9.3%*	*9.4%*	*6.4%*	*6.9%*	*5.7%*
Idaho Nonfarm (Millions)	11,838	12,722	13,863	15,081	16,026	17,581	19,040	20,706	22,073	23,298
% Ch	*4.1%*	*7.5%*	*9.0%*	*8.8%*	*6.3%*	*9.7%*	*8.3%*	*8.7%*	*6.6%*	*5.6%*
National (Billions)	3,963	4,272	4,600	4,903	5,085	5,390	5,610	5,888	6,201	6,547
% Ch	*6.7%*	*7.8%*	*7.7%*	*6.6%*	*3.7%*	*6.0%*	*4.1%*	*5.0%*	*5.3%*	*5.6%*
PERSONAL INCOME - 1996 $										
Idaho (Millions)	16,453	17,022	17,982	18,749	18,923	20,061	21,431	22,357	23,359	24,172
% Ch	*1.0%*	*3.5%*	*5.6%*	*4.3%*	*0.9%*	*6.0%*	*6.8%*	*4.3%*	*4.5%*	*3.5%*
Idaho Nonfarm (Millions)	15,680	16,217	16,934	17,610	18,024	19,187	20,296	21,632	22,545	23,297
% Ch	*0.2%*	*3.4%*	*4.4%*	*4.0%*	*2.4%*	*6.5%*	*5.8%*	*6.6%*	*4.2%*	*3.3%*
National (Billions)	5,249	5,447	5,619	5,726	5,720	5,883	5,980	6,152	6,334	6,547
% Ch	*2.8%*	*3.8%*	*3.2%*	*1.9%*	*-0.1%*	*2.9%*	*1.7%*	*2.9%*	*3.0%*	*3.4%*
PER CAPITA PERS INC - CURR $										
Idaho	12,591	13,510	14,769	15,847	16,159	17,144	18,133	18,688	19,430	20,091
% Ch	*5.2%*	*7.3%*	*9.3%*	*7.3%*	*2.0%*	*6.1%*	*5.8%*	*3.1%*	*4.0%*	*3.4%*
National	16,301	17,414	18,571	19,566	20,025	20,945	21,520	22,316	23,226	24,239
% Ch	*5.8%*	*6.8%*	*6.6%*	*5.4%*	*2.3%*	*4.6%*	*2.7%*	*3.7%*	*4.1%*	*4.4%*
PER CAPITA PERS INC - 1996 $										
Idaho	16,677	17,221	18,041	18,508	18,174	18,710	19,330	19,526	19,846	20,090
% Ch	*1.4%*	*3.3%*	*4.8%*	*2.6%*	*-1.8%*	*2.9%*	*3.3%*	*1.0%*	*1.6%*	*1.2%*
National	21,592	22,203	22,687	22,850	22,523	22,860	22,941	23,316	23,725	24,239
% Ch	*1.9%*	*2.8%*	*2.2%*	*0.7%*	*-1.4%*	*1.5%*	*0.4%*	*1.6%*	*1.8%*	*2.2%*
AVERAGE ANNUAL WAGE										
Idaho	17,620	18,337	18,892	19,760	20,556	21,477	21,963	22,723	23,620	24,110
% Ch	*2.5%*	*4.1%*	*3.0%*	*4.6%*	*4.0%*	*4.5%*	*2.3%*	*3.5%*	*3.9%*	*2.1%*
National	22,267	23,314	24,071	25,178	26,089	27,466	27,872	28,358	29,224	30,325
% Ch	*4.6%*	*4.7%*	*3.2%*	*4.6%*	*3.6%*	*5.3%*	*1.5%*	*1.7%*	*3.1%*	*3.8%*

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OUTPUT, INCOME, & WAGES

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
GROSS DOM. PRODUCT (Billions)										
Current Dollars	8,318	8,782	9,274	9,825	10,082	10,444	10,969	11,744	12,447	13,114
% Ch	*6.5%*	*5.6%*	*5.6%*	*5.9%*	*2.6%*	*3.6%*	*5.0%*	*7.1%*	*6.0%*	*5.4%*
1996 Chain-Weighted	8,159	8,509	8,859	9,191	9,215	9,435	9,707	10,142	10,516	10,873
% Ch	*4.4%*	*4.3%*	*4.1%*	*3.8%*	*0.3%*	*2.4%*	*2.9%*	*4.5%*	*3.7%*	*3.4%*
PERSONAL INCOME - CURR $										
Idaho (Millions)	25,227	27,066	28,931	31,314	32,525	33,891	35,387	37,436	39,591	42,011
% Ch	*4.4%*	*7.3%*	*6.9%*	*8.2%*	*3.9%*	*4.2%*	*4.4%*	*5.8%*	*5.8%*	*6.1%*
Idaho Nonfarm (Millions)	24,557	26,149	27,901	30,519	31,562	32,811	34,254	36,176	38,297	40,747
% Ch	*5.4%*	*6.5%*	*6.7%*	*9.4%*	*3.4%*	*4.0%*	*4.4%*	*5.6%*	*5.9%*	*6.4%*
National (Billions)	6,937	7,426	7,786	8,407	8,685	8,944	9,362	9,956	10,550	11,131
% Ch	*6.0%*	*7.0%*	*4.9%*	*8.0%*	*3.3%*	*3.0%*	*4.7%*	*6.4%*	*6.0%*	*5.5%*
PERSONAL INCOME - 1996 $										
Idaho (Millions)	24,745	26,268	27,622	29,158	29,686	30,507	31,208	32,241	33,375	34,744
% Ch	*2.4%*	*6.2%*	*5.2%*	*5.6%*	*1.8%*	*2.8%*	*2.3%*	*3.3%*	*3.5%*	*4.1%*
Idaho Nonfarm (Millions)	24,088	25,379	26,639	28,418	28,807	29,535	30,209	31,156	32,284	33,699
% Ch	*3.4%*	*5.4%*	*5.0%*	*6.7%*	*1.4%*	*2.5%*	*2.3%*	*3.1%*	*3.6%*	*4.4%*
National (Billions)	6,805	7,208	7,435	7,828	7,927	8,051	8,256	8,575	8,894	9,206
% Ch	*3.9%*	*5.9%*	*3.2%*	*5.3%*	*1.3%*	*1.6%*	*2.6%*	*3.9%*	*3.7%*	*3.5%*
PER CAPITA PERS INC - CURR $										
Idaho	20,535	21,611	22,676	24,102	24,628	25,362	26,204	27,408	28,672	30,082
% Ch	*2.2%*	*5.2%*	*4.9%*	*6.3%*	*2.2%*	*3.0%*	*3.3%*	*4.6%*	*4.6%*	*4.9%*
National	25,376	26,852	27,836	29,736	30,435	31,059	32,225	33,976	35,696	37,346
% Ch	*4.7%*	*5.8%*	*3.7%*	*6.8%*	*2.4%*	*2.0%*	*3.8%*	*5.4%*	*5.1%*	*4.6%*
PER CAPITA PERS INC - 1996 $										
Idaho	20,143	20,975	21,652	22,444	22,478	22,831	23,110	23,605	24,171	24,879
% Ch	*0.3%*	*4.1%*	*3.2%*	*3.7%*	*0.2%*	*1.6%*	*1.2%*	*2.1%*	*2.4%*	*2.9%*
National	24,893	26,063	26,580	27,689	27,779	27,958	28,419	29,261	30,092	30,887
% Ch	*2.7%*	*4.7%*	*2.0%*	*4.2%*	*0.3%*	*0.6%*	*1.7%*	*3.0%*	*2.8%*	*2.6%*
AVERAGE ANNUAL WAGE										
Idaho	24,811	25,826	26,963	28,668	28,682	29,433	30,407	31,546	32,731	33,837
% Ch	*2.9%*	*4.1%*	*4.4%*	*6.3%*	*0.0%*	*2.6%*	*3.3%*	*3.7%*	*3.8%*	*3.4%*
National	31,702	33,316	34,680	36,717	37,526	38,375	39,825	41,610	43,397	45,064
% Ch	*4.5%*	*5.1%*	*4.1%*	*5.9%*	*2.2%*	*2.3%*	*3.8%*	*4.5%*	*4.3%*	*3.8%*

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PERSONAL INCOME -- CURR $$

	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996
WAGE AND SALARY PAYMENTS										
Idaho (Millions)	6,171	6,704	7,247	7,971	8,533	9,307	9,991	10,916	11,725	12,316
% Ch	*4.1%*	*8.6%*	*8.1%*	*10.0%*	*7.1%*	*9.1%*	*7.3%*	*9.3%*	*7.4%*	*5.0%*
National (Billions)	2,270	2,453	2,597	2,755	2,824	2,983	3,085	3,237	3,425	3,626
% Ch	*7.4%*	*8.0%*	*5.9%*	*6.1%*	*2.5%*	*5.6%*	*3.4%*	*4.9%*	*5.8%*	*5.9%*
FARM PROPRIETORS INCOME										
Idaho (Millions)	443	471	683	771	601	603	839	410	496	585
% Ch	*33.9%*	*6.4%*	*45.1%*	*12.8%*	*-22.1%*	*0.3%*	*39.3%*	*-51.2%*	*21.1%*	*17.9%*
National (Billions)	29	26	32	31	26	33	30	32	22	34
% Ch	*26.1%*	*-10.2%*	*23.3%*	*-3.0%*	*-15.3%*	*23.9%*	*-7.8%*	*6.0%*	*-30.5%*	*54.4%*
NONFARM PROPRIETORS INCOME										
Idaho (Millions)	1,249	1,368	1,483	1,563	1,515	1,833	2,139	2,342	2,264	2,337
% Ch	*6.7%*	*9.5%*	*8.4%*	*5.4%*	*-3.1%*	*21.0%*	*16.7%*	*9.5%*	*-3.3%*	*3.2%*
National (Billions)	275	313	330	350	358	402	432	445	476	510
% Ch	*7.5%*	*13.8%*	*5.4%*	*6.1%*	*2.3%*	*12.3%*	*7.5%*	*3.0%*	*6.9%*	*7.4%*
DIVIDENDS, RENT & INTEREST										
Idaho (Millions)	2,444	2,587	2,912	3,122	3,254	3,367	3,554	3,925	4,377	4,650
% Ch	*2.1%*	*5.9%*	*12.5%*	*7.2%*	*4.3%*	*3.5%*	*5.6%*	*10.4%*	*11.5%*	*6.2%*
National (Billions)	758	824	932	987	1,006	999	1,019	1,087	1,164	1,238
% Ch	*5.6%*	*8.8%*	*13.1%*	*5.9%*	*2.0%*	*-0.8%*	*2.1%*	*6.7%*	*7.1%*	*6.3%*
OTHER LABOR INCOME										
Idaho (Millions)	888	943	1,029	1,143	1,265	1,415	1,591	1,725	1,714	1,728
% Ch	*6.0%*	*6.2%*	*9.1%*	*11.2%*	*10.7%*	*11.8%*	*12.5%*	*8.4%*	*-0.6%*	*0.8%*
National (Billions)	319	336	361	390	416	450	483	507	497	490
% Ch	*6.9%*	*5.4%*	*7.2%*	*8.2%*	*6.6%*	*8.2%*	*7.4%*	*5.1%*	*-2.1%*	*-1.4%*
GOVT. TRANSFERS TO INDIV.										
Idaho (Millions)	1,572	1,680	1,812	1,972	2,192	2,442	2,626	2,777	3,012	3,285
% Ch	*3.3%*	*6.9%*	*7.9%*	*8.8%*	*11.2%*	*11.4%*	*7.5%*	*5.8%*	*8.5%*	*9.1%*
National (Billions)	469	497	540	594	670	752	799	834	886	929
% Ch	*4.4%*	*6.0%*	*8.7%*	*10.0%*	*12.7%*	*12.2%*	*6.2%*	*4.4%*	*6.2%*	*4.8%*
CONTRIB. FOR SOCIAL INSUR.										
Idaho (Millions)	454	525	587	641	704	756	817	900	949	987
% Ch	*4.5%*	*15.7%*	*11.8%*	*9.2%*	*9.8%*	*7.5%*	*8.0%*	*10.2%*	*5.5%*	*4.0%*
National (Billions)	157	177	192	204	215	227	238	254	269	280
% Ch	*7.8%*	*12.8%*	*8.3%*	*6.3%*	*5.6%*	*5.3%*	*5.0%*	*6.8%*	*5.8%*	*4.3%*
RESIDENCE ADJUSTMENT										
Idaho (Millions)	110	127	142	154	169	173	183	204	230	260
% Ch	*8.9%*	*14.7%*	*12.3%*	*8.6%*	*9.2%*	*2.8%*	*5.3%*	*11.8%*	*12.9%*	*12.9%*

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PERSONAL INCOME -- CURR $$

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
WAGE AND SALARY PAYMENTS										
Idaho (Millions)	13,109	13,973	15,041	16,569	16,861	17,272	17,993	19,013	20,183	21,523
% Ch	*6.4%*	*6.6%*	*7.6%*	*10.2%*	*1.8%*	*2.4%*	*4.2%*	*5.7%*	*6.2%*	*6.6%*
National (Billions)	3,889	4,193	4,470	4,836	4,951	5,020	5,251	5,623	5,978	6,284
% Ch	*7.2%*	*7.8%*	*6.6%*	*8.2%*	*2.4%*	*1.4%*	*4.6%*	*7.1%*	*6.3%*	*5.1%*
FARM PROPRIETORS INCOME										
Idaho (Millions)	344	580	699	432	587	694	740	846	861	823
% Ch	*-41.1%*	*68.5%*	*20.5%*	*-38.2%*	*35.9%*	*18.2%*	*6.6%*	*14.3%*	*1.8%*	*-4.5%*
National (Billions)	30	26	28	23	19	13	22	33	35	35
% Ch	*-13.3%*	*-13.9%*	*8.3%*	*-18.5%*	*-15.6%*	*-32.2%*	*70.6%*	*49.2%*	*6.9%*	*-1.4%*
NONFARM PROPRIETORS INCOME										
Idaho (Millions)	2,408	2,602	3,040	3,256	3,334	3,489	3,711	3,980	4,163	4,314
% Ch	*3.0%*	*8.1%*	*16.8%*	*7.1%*	*2.4%*	*4.6%*	*6.4%*	*7.2%*	*4.6%*	*3.6%*
National (Billions)	551	598	651	692	709	743	790	848	886	917
% Ch	*8.0%*	*8.5%*	*8.8%*	*6.4%*	*2.4%*	*4.9%*	*6.3%*	*7.3%*	*4.5%*	*3.5%*
DIVIDENDS, RENT & INTEREST										
Idaho (Millions)	5,044	5,470	5,479	5,977	6,197	6,296	6,427	6,850	7,398	8,029
% Ch	*8.5%*	*8.4%*	*0.2%*	*9.1%*	*3.7%*	*1.6%*	*2.1%*	*6.6%*	*8.0%*	*8.5%*
National (Billions)	1,327	1,451	1,446	1,599	1,638	1,656	1,693	1,800	1,942	2,105
% Ch	*7.2%*	*9.4%*	*-0.3%*	*10.6%*	*2.4%*	*1.1%*	*2.2%*	*6.3%*	*7.9%*	*8.4%*
OTHER LABOR INCOME										
Idaho (Millions)	1,681	1,726	1,801	1,941	1,997	2,164	2,351	2,461	2,550	2,674
% Ch	*-2.7%*	*2.6%*	*4.3%*	*7.8%*	*2.9%*	*8.4%*	*8.6%*	*4.7%*	*3.6%*	*4.9%*
National (Billions)	475	491	510	544	570	611	661	689	715	746
% Ch	*-3.0%*	*3.2%*	*4.0%*	*6.7%*	*4.8%*	*7.0%*	*8.2%*	*4.3%*	*3.8%*	*4.3%*
GOVT. TRANSFERS TO INDIV.										
Idaho (Millions)	3,394	3,499	3,680	3,938	4,383	4,871	5,109	5,287	5,499	5,774
% Ch	*3.3%*	*3.1%*	*5.2%*	*7.0%*	*11.3%*	*11.1%*	*4.9%*	*3.5%*	*4.0%*	*5.0%*
National (Billions)	962	984	1,018	1,070	1,170	1,286	1,348	1,395	1,452	1,526
% Ch	*3.6%*	*2.2%*	*3.5%*	*5.1%*	*9.4%*	*9.9%*	*4.9%*	*3.5%*	*4.1%*	*5.1%*
CONTRIB. FOR SOCIAL INSUR.										
Idaho (Millions)	1,045	1,102	1,181	1,275	1,320	1,381	1,447	1,533	1,630	1,728
% Ch	*5.8%*	*5.5%*	*7.2%*	*7.9%*	*3.5%*	*4.6%*	*4.8%*	*6.0%*	*6.3%*	*6.0%*
National (Billions)	298	316	337	358	372	385	404	432	458	481
% Ch	*6.2%*	*6.2%*	*6.7%*	*6.2%*	*3.9%*	*3.5%*	*4.9%*	*6.9%*	*6.0%*	*4.9%*
RESIDENCE ADJUSTMENT										
Idaho (Millions)	292	321	374	476	485	484	503	532	566	602
% Ch	*12.3%*	*10.0%*	*16.5%*	*27.3%*	*1.9%*	*-0.2%*	*3.8%*	*5.9%*	*6.3%*	*6.5%*

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EMPLOYMENT

	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996
TOTAL NONFARM EMPLOYMENT										
Idaho	333,455	348,271	366,021	385,337	398,119	416,607	436,727	461,162	477,375	492,569
% Ch	*1.6%*	*4.4%*	*5.1%*	*5.3%*	*3.3%*	*4.6%*	*4.8%*	*5.6%*	*3.5%*	*3.2%*
National (Thousands)	101,953	105,202	107,883	109,404	108,255	108,591	110,692	114,135	117,188	119,589
% Ch	*2.6%*	*3.2%*	*2.5%*	*1.4%*	*-1.1%*	*0.3%*	*1.9%*	*3.1%*	*2.7%*	*2.0%*
GOODS PRODUCING SECTOR										
Idaho	70,343	75,620	80,312	85,479	86,523	90,496	96,083	103,291	103,403	106,567
% Ch	*1.1%*	*7.5%*	*6.2%*	*6.4%*	*1.2%*	*4.6%*	*6.2%*	*7.5%*	*0.1%*	*3.1%*
National (Thousands)	24,673	25,123	25,253	24,909	23,749	23,232	23,351	23,906	24,275	24,491
% Ch	*0.6%*	*1.8%*	*0.5%*	*-1.4%*	*-4.7%*	*-2.2%*	*0.5%*	*2.4%*	*1.5%*	*0.9%*
MANUFACTURING										
Idaho	54,054	58,136	60,573	62,890	63,220	65,752	69,253	71,888	71,043	72,906
% Ch	*3.7%*	*7.6%*	*4.2%*	*3.8%*	*0.5%*	*4.0%*	*5.3%*	*3.8%*	*-1.2%*	*2.6%*
National (Thousands)	18,998	19,315	19,391	19,075	18,405	18,106	18,076	18,323	18,526	18,494
% Ch	*0.3%*	*1.7%*	*0.4%*	*-1.6%*	*-3.5%*	*-1.6%*	*-0.2%*	*1.4%*	*1.1%*	*-0.2%*
DURABLE MANUFACTURING										
Idaho	26,830	29,559	32,176	34,064	33,145	34,794	37,499	40,636	42,130	44,068
% Ch	*5.1%*	*10.2%*	*8.9%*	*5.9%*	*-2.7%*	*5.0%*	*7.8%*	*8.4%*	*3.7%*	*4.6%*
National (Thousands)	11,154	11,363	11,394	11,107	10,568	10,279	10,222	10,448	10,684	10,788
% Ch	*-0.4%*	*1.9%*	*0.3%*	*-2.5%*	*-4.9%*	*-2.7%*	*-0.6%*	*2.2%*	*2.3%*	*1.0%*
LUMBER & WOOD PRODUCTS										
Idaho	13,379	13,984	14,747	14,897	13,470	14,004	14,408	15,521	14,795	14,446
% Ch	*1.1%*	*4.5%*	*5.5%*	*1.0%*	*-9.6%*	*4.0%*	*2.9%*	*7.7%*	*-4.7%*	*-2.4%*
National (Thousands)	754	768	757	733	675	680	709	754	769	778
% Ch	*4.1%*	*1.8%*	*-1.4%*	*-3.1%*	*-7.9%*	*0.7%*	*4.3%*	*6.3%*	*2.0%*	*1.1%*
STONE, CLAY, GLASS, etc.										
Idaho	2,804	2,878	3,276	3,387	3,291	3,199	3,364	3,853	4,220	4,340
% Ch	*1.6%*	*2.7%*	*13.8%*	*3.4%*	*-2.8%*	*-2.8%*	*5.2%*	*14.5%*	*9.5%*	*2.8%*
National (Thousands)	1,954	1,996	2,014	1,975	1,877	1,843	1,856	1,920	1,977	1,992
% Ch	*-1.2%*	*2.2%*	*0.9%*	*-1.9%*	*-5.0%*	*-1.8%*	*0.7%*	*3.4%*	*3.0%*	*0.8%*
ELEC & NONELEC MACH										
Idaho	8,422	9,577	11,096	12,596	13,197	14,476	16,271	17,114	18,192	20,266
% Ch	*10.1%*	*13.7%*	*15.9%*	*13.5%*	*4.8%*	*9.7%*	*12.4%*	*5.2%*	*6.3%*	*11.4%*
National (Thousands)	3,777	3,853	3,869	3,768	3,591	3,457	3,456	3,560	3,692	3,775
% Ch	*-2.2%*	*2.0%*	*0.4%*	*-2.6%*	*-4.7%*	*-3.7%*	*0.0%*	*3.0%*	*3.7%*	*2.2%*
OTHER DURABLES										
Idaho	2,225	3,120	3,057	3,184	3,186	3,115	3,455	4,148	4,922	5,017
% Ch	*19.0%*	*40.2%*	*-2.0%*	*4.2%*	*0.1%*	*-2.2%*	*10.9%*	*20.0%*	*18.7%*	*1.9%*
National (Thousands)	4,669	4,747	4,755	4,632	4,426	4,299	4,200	4,214	4,246	4,243
% Ch	*0.8%*	*1.7%*	*0.2%*	*-2.6%*	*-4.4%*	*-2.9%*	*-2.3%*	*0.3%*	*0.7%*	*-0.1%*

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EMPLOYMENT

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
TOTAL NONFARM EMPLOYMENT										
Idaho	508,742	521,536	539,116	559,247	568,297	566,528	571,400	582,021	595,846	615,397
% Ch	*3.3%*	*2.5%*	*3.4%*	*3.7%*	*1.6%*	*-0.3%*	*0.9%*	*1.9%*	*2.4%*	*3.3%*
National (Thousands)	122,671	125,851	128,904	131,719	131,925	130,817	131,864	135,136	137,748	139,450
% Ch	*2.6%*	*2.6%*	*2.4%*	*2.2%*	*0.2%*	*-0.8%*	*0.8%*	*2.5%*	*1.9%*	*1.2%*
GOODS PRODUCING SECTOR										
Idaho	109,915	111,258	113,572	116,066	114,587	107,477	106,276	108,012	110,480	114,104
% Ch	*3.1%*	*1.2%*	*2.1%*	*2.2%*	*-1.3%*	*-6.2%*	*-1.1%*	*1.6%*	*2.3%*	*3.3%*
National (Thousands)	24,958	25,415	25,508	25,675	24,947	23,845	23,442	23,631	24,013	24,268
% Ch	*1.9%*	*1.8%*	*0.4%*	*0.7%*	*-2.8%*	*-4.4%*	*-1.7%*	*0.8%*	*1.6%*	*1.1%*
MANUFACTURING										
Idaho	74,614	76,125	76,132	77,192	75,281	70,222	69,068	70,993	73,361	75,853
% Ch	*2.3%*	*2.0%*	*0.0%*	*1.4%*	*-2.5%*	*-6.7%*	*-1.6%*	*2.8%*	*3.3%*	*3.4%*
National (Thousands)	18,671	18,806	18,555	18,477	17,695	16,730	16,340	16,340	16,477	16,531
% Ch	*1.0%*	*0.7%*	*-1.3%*	*-0.4%*	*-4.2%*	*-5.5%*	*-2.3%*	*0.0%*	*0.8%*	*0.3%*
DURABLE MANUFACTURING										
Idaho	45,537	47,178	47,144	47,940	46,273	42,631	41,547	42,825	44,512	46,444
% Ch	*3.3%*	*3.6%*	*-0.1%*	*1.7%*	*-3.5%*	*-7.9%*	*-2.5%*	*3.1%*	*3.9%*	*4.3%*
National (Thousands)	11,008	11,205	11,112	11,143	10,636	9,912	9,576	9,544	9,647	9,716
% Ch	*2.0%*	*1.8%*	*-0.8%*	*0.3%*	*-4.6%*	*-6.8%*	*-3.4%*	*-0.3%*	*1.1%*	*0.7%*
LUMBER & WOOD PRODUCTS										
Idaho	14,242	13,737	13,406	12,628	11,489	11,090	10,220	9,602	9,253	8,915
% Ch	*-1.4%*	*-3.5%*	*-2.4%*	*-5.8%*	*-9.0%*	*-3.5%*	*-7.8%*	*-6.0%*	*-3.6%*	*-3.7%*
National (Thousands)	796	813	835	830	786	767	749	751	769	788
% Ch	*2.3%*	*2.2%*	*2.6%*	*-0.5%*	*-5.3%*	*-2.4%*	*-2.4%*	*0.4%*	*2.4%*	*2.5%*
STONE, CLAY, GLASS, etc.										
Idaho	4,415	4,335	4,529	4,484	4,467	3,873	3,669	3,649	3,616	3,630
% Ch	*1.7%*	*-1.8%*	*4.5%*	*-1.0%*	*-0.4%*	*-13.3%*	*-5.3%*	*-0.6%*	*-0.9%*	*0.4%*
National (Thousands)	2,031	2,071	2,088	2,119	2,053	1,976	1,964	1,995	2,010	2,010
% Ch	*1.9%*	*2.0%*	*0.8%*	*1.5%*	*-3.1%*	*-3.7%*	*-0.6%*	*1.6%*	*0.8%*	*0.0%*
ELEC & NONELEC MACH										
Idaho	21,584	23,309	23,152	24,671	24,469	21,939	22,194	23,873	25,751	27,847
% Ch	*6.5%*	*8.0%*	*-0.7%*	*6.6%*	*-0.8%*	*-10.3%*	*1.2%*	*7.6%*	*7.9%*	*8.1%*
National (Thousands)	3,856	3,913	3,808	3,848	3,641	3,241	2,992	2,878	2,887	2,932
% Ch	*2.2%*	*1.5%*	*-2.7%*	*1.0%*	*-5.4%*	*-11.0%*	*-7.7%*	*-3.8%*	*0.3%*	*1.6%*
OTHER DURABLES										
Idaho	5,297	5,797	6,056	6,157	5,848	5,583	5,464	5,700	5,892	6,052
% Ch	*5.6%*	*9.4%*	*4.5%*	*1.7%*	*-5.0%*	*-4.5%*	*-2.1%*	*4.3%*	*3.4%*	*2.7%*
National (Thousands)	4,325	4,408	4,382	4,346	4,155	3,927	3,871	3,920	3,981	3,986
% Ch	*1.9%*	*1.9%*	*-0.6%*	*-0.8%*	*-4.4%*	*-5.5%*	*-1.4%*	*1.3%*	*1.5%*	*0.1%*

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EMPLOYMENT

	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996
MANUFACTURING (continued)										
NONDURABLE MANUFACTURING										
Idaho	27,224	28,577	28,396	28,825	30,075	30,958	31,754	31,252	28,913	28,838
% Ch	*2.4%*	*5.0%*	*-0.6%*	*1.5%*	*4.3%*	*2.9%*	*2.6%*	*-1.6%*	*-7.5%*	*-0.3%*
National (Thousands)	7,845	7,952	7,997	7,968	7,837	7,827	7,854	7,875	7,842	7,706
% Ch	*1.2%*	*1.4%*	*0.6%*	*-0.4%*	*-1.6%*	*-0.1%*	*0.4%*	*0.3%*	*-0.4%*	*-1.7%*
FOOD PROCESSING										
Idaho	16,099	17,334	16,984	16,806	17,488	17,820	18,564	18,020	17,505	17,465
% Ch	*4.5%*	*7.7%*	*-2.0%*	*-1.0%*	*4.1%*	*1.9%*	*4.2%*	*-2.9%*	*-2.9%*	*-0.2%*
National (Thousands)	*1,617*	*1,626*	*1,645*	*1,661*	*1,667*	*1,662*	*1,680*	*1,679*	*1,693*	*1,692*
% Ch	*0.6%*	*0.6%*	*1.1%*	*1.0%*	*0.4%*	*-0.3%*	*1.1%*	*-0.1%*	*0.8%*	*0.0%*
CANNED, CURED, & FROZEN										
Idaho	10,612	11,331	11,225	11,065	11,747	12,094	12,532	11,706	10,865	10,680
% Ch	*7.5%*	*6.8%*	*-0.9%*	*-1.4%*	*6.2%*	*3.0%*	*3.6%*	*-6.6%*	*-7.2%*	*-1.7%*
OTHER FOOD PROCESSING										
Idaho	5,487	6,003	5,759	5,742	5,741	5,725	6,032	6,314	6,641	6,785
% Ch	*-1.0%*	*9.4%*	*-4.1%*	*-0.3%*	*0.0%*	*-0.3%*	*5.4%*	*4.7%*	*5.2%*	*2.2%*
PAPER, PRINTING, PUBLISH.										
Idaho	6,066	6,373	6,592	6,976	7,179	7,172	7,144	7,089	7,118	7,192
% Ch	*2.0%*	*5.1%*	*3.4%*	*5.8%*	*2.9%*	*-0.1%*	*-0.4%*	*-0.8%*	*0.4%*	*1.0%*
National (Thousands)	2,177	2,232	2,251	2,266	2,223	2,197	2,209	2,230	2,238	2,224
% Ch	*2.5%*	*2.5%*	*0.9%*	*0.6%*	*-1.9%*	*-1.2%*	*0.5%*	*0.9%*	*0.4%*	*-0.6%*
CHEMICALS										
Idaho	3,273	3,536	3,523	3,554	3,903	4,277	4,250	4,135	2,345	2,333
% Ch	*-1.9%*	*8.0%*	*-0.3%*	*0.9%*	*9.8%*	*9.6%*	*-0.6%*	*-2.7%*	*-43.3%*	*-0.5%*
National (Thousands)	1,025	1,057	1,074	1,086	1,076	1,084	1,081	1,057	1,038	1,034
% Ch	*0.4%*	*3.2%*	*1.6%*	*1.1%*	*-0.9%*	*0.8%*	*-0.3%*	*-2.2%*	*-1.8%*	*-0.4%*
OTHER NONDURABLES										
Idaho	1,786	1,335	1,297	1,488	1,505	1,690	1,795	2,008	1,944	1,848
% Ch	*-5.3%*	*-25.3%*	*-2.8%*	*14.8%*	*1.1%*	*12.3%*	*6.2%*	*11.9%*	*-3.2%*	*-4.9%*
National (Thousands)	3,026	3,037	3,027	2,955	2,871	2,883	2,885	2,910	2,872	2,756
% Ch	*0.8%*	*0.3%*	*-0.3%*	*-2.4%*	*-2.9%*	*0.4%*	*0.1%*	*0.9%*	*-1.3%*	*-4.0%*
MINING										
Idaho	2,568	3,280	3,673	3,873	3,086	2,605	2,199	2,419	2,726	3,063
%Ch	*-11.2%*	*27.7%*	*12.0%*	*5.4%*	*-20.3%*	*-15.6%*	*-15.6%*	*10.0%*	*12.7%*	*12.4%*
National (Thousands)	717	712	691	709	689	634	609	601	581	580
%Ch	*-7.7%*	*-0.7%*	*-3.0%*	*2.6%*	*-2.8%*	*-8.0%*	*-3.9%*	*-1.5%*	*-3.3%*	*-0.2%*
METAL MINING										
Idaho	1,595	2,140	2,612	2,754	1,994	1,453	1,007	1,211	1,593	1,848
%Ch	*-16.9%*	*34.2%*	*22.1%*	*5.5%*	*-27.6%*	*-27.1%*	*-30.7%*	*20.2%*	*31.6%*	*16.0%*
OTHER MINING										
Idaho	973	1,140	1,061	1,119	1,092	1,152	1,192	1,208	1,133	1,214
% Ch	*0.0%*	*17.2%*	*-6.9%*	*5.4%*	*-2.4%*	*5.5%*	*3.5%*	*1.4%*	*-6.2%*	*7.2%*

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EMPLOYMENT

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
MANUFACTURING (continued)										
NONDURABLE MANUFACTURING										
Idaho	29,077	28,947	28,988	29,252	29,008	27,591	27,520	28,168	28,849	29,410
% Ch	*0.8%*	*-0.4%*	*0.1%*	*0.9%*	*-0.8%*	*-4.9%*	*-0.3%*	*2.4%*	*2.4%*	*1.9%*
National (Thousands)	7,663	7,600	7,443	7,334	7,059	6,818	6,764	6,795	6,830	6,815
% Ch	*-0.6%*	*-0.8%*	*-2.1%*	*-1.5%*	*-3.7%*	*-3.4%*	*-0.8%*	*0.5%*	*0.5%*	*-0.2%*
FOOD PROCESSING										
Idaho	17,659	17,288	17,292	17,252	17,341	16,859	16,697	16,951	17,157	17,305
% Ch	*1.1%*	*-2.1%*	*0.0%*	*-0.2%*	*0.5%*	*-2.8%*	*-1.0%*	*1.5%*	*1.2%*	*0.9%*
National (Thousands)	*1,684*	*1,684*	*1,683*	*1,688*	*1,690*	*1,692*	*1,720*	*1,748*	*1,768*	*1,759*
% Ch	*-0.4%*	*0.0%*	*-0.1%*	*0.3%*	*0.2%*	*0.1%*	*1.7%*	*1.6%*	*1.2%*	*-0.5%*
CANNED, CURED, & FROZEN										
Idaho	10,551	9,994	9,957	9,768	9,567	9,210	8,929	9,024	9,118	9,199
% Ch	*-1.2%*	*-5.3%*	*-0.4%*	*-1.9%*	*-2.1%*	*-3.7%*	*-3.0%*	*1.1%*	*1.0%*	*0.9%*
OTHER FOOD PROCESSING										
Idaho	7,108	7,294	7,334	7,484	7,774	7,649	7,767	7,927	8,039	8,106
% Ch	*4.8%*	*2.6%*	*0.5%*	*2.0%*	*3.9%*	*-1.6%*	*1.5%*	*2.1%*	*1.4%*	*0.8%*
PAPER, PRINTING, PUBLISH.										
Idaho	7,216	7,441	7,393	7,637	7,347	6,922	7,013	7,345	7,730	8,057
% Ch	*0.3%*	*3.1%*	*-0.6%*	*3.3%*	*-3.8%*	*-5.8%*	*1.3%*	*4.7%*	*5.2%*	*4.2%*
National (Thousands)	2,235	2,242	2,220	2,204	2,125	2,024	2,006	2,045	2,088	2,119
% Ch	*0.5%*	*0.3%*	*-1.0%*	*-0.7%*	*-3.6%*	*-4.8%*	*-0.9%*	*2.0%*	*2.1%*	*1.5%*
CHEMICALS										
Idaho	2,285	2,358	2,301	2,332	2,324	1,892	1,837	1,806	1,796	1,783
% Ch	*-2.1%*	*3.2%*	*-2.4%*	*1.4%*	*-0.4%*	*-18.6%*	*-2.9%*	*-1.7%*	*-0.5%*	*-0.7%*
National (Thousands)	1,036	1,043	1,035	1,034	1,022	1,007	972	944	926	913
% Ch	*0.2%*	*0.7%*	*-0.7%*	*-0.1%*	*-1.2%*	*-1.5%*	*-3.4%*	*-2.9%*	*-1.9%*	*-1.4%*
OTHER NONDURABLES										
Idaho	1,917	1,860	2,003	2,031	1,996	1,918	1,974	2,066	2,165	2,265
% Ch	*3.7%*	*-3.0%*	*7.7%*	*1.4%*	*-1.7%*	*-3.9%*	*3.0%*	*4.6%*	*4.8%*	*4.6%*
National (Thousands)	2,708	2,631	2,504	2,408	2,222	2,096	2,065	2,059	2,047	2,024
% Ch	*-1.8%*	*-2.8%*	*-4.8%*	*-3.8%*	*-7.7%*	*-5.7%*	*-1.5%*	*-0.3%*	*-0.6%*	*-1.2%*
MINING										
Idaho	3,098	2,904	2,583	2,425	2,037	1,792	1,802	1,934	1,795	1,717
%Ch	*1.2%*	*-6.3%*	*-11.1%*	*-6.1%*	*-16.0%*	*-12.0%*	*0.5%*	*7.4%*	*-7.2%*	*-4.3%*
National (Thousands)	597	590	539	543	565	558	569	559	538	518
%Ch	*3.0%*	*-1.1%*	*-8.7%*	*0.7%*	*4.0%*	*-1.2%*	*2.1%*	*-1.8%*	*-3.7%*	*-3.7%*
METAL MINING										
Idaho	1,843	1,693	1,427	1,223	824	582	637	752	654	584
%Ch	*-0.3%*	*-8.1%*	*-15.7%*	*-14.3%*	*-32.6%*	*-29.4%*	*9.5%*	*18.1%*	*-13.1%*	*-10.6%*
OTHER MINING										
Idaho	1,255	1,211	1,155	1,202	1,214	1,210	1,165	1,182	1,141	1,133
% Ch	*3.4%*	*-3.6%*	*-4.6%*	*4.0%*	*1.0%*	*-0.3%*	*-3.8%*	*1.5%*	*-3.4%*	*-0.7%*

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EMPLOYMENT

	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996
GOODS PRODUCING (continued)										
CONSTRUCTION										
Idaho	13,721	14,205	16,067	18,716	20,216	22,139	24,631	28,984	29,634	30,599
% Ch	*-6.1%*	*3.5%*	*13.1%*	*16.5%*	*8.0%*	*9.5%*	*11.3%*	*17.7%*	*2.2%*	*3.3%*
National (Thousands)	4,958	5,096	5,171	5,125	4,655	4,492	4,665	4,982	5,168	5,418
% Ch	*3.1%*	*2.8%*	*1.5%*	*-0.9%*	*-9.2%*	*-3.5%*	*3.9%*	*6.8%*	*3.7%*	*4.8%*
SERVICE PRODUCING SECTOR										
Idaho	263,112	272,651	285,708	299,858	311,597	326,110	340,644	357,871	373,971	386,002
% Ch	*1.7%*	*3.6%*	*4.8%*	*5.0%*	*3.9%*	*4.7%*	*4.5%*	*5.1%*	*4.5%*	*3.2%*
National (Thousands)	77,280	80,079	82,630	84,495	84,506	85,359	87,341	90,229	92,913	95,098
% Ch	*3.3%*	*3.6%*	*3.2%*	*2.3%*	*0.0%*	*1.0%*	*2.3%*	*3.3%*	*3.0%*	*2.4%*
FINANCE, INSUR, REAL ESTATE										
Idaho	19,129	19,270	19,289	19,837	20,628	21,459	22,757	24,101	24,967	25,175
% Ch	*1.3%*	*0.7%*	*0.1%*	*2.8%*	*4.0%*	*4.0%*	*6.0%*	*5.9%*	*3.6%*	*0.8%*
National (Thousands)	6,533	6,629	6,669	6,709	6,647	6,602	6,757	6,895	6,808	6,912
% Ch	*4.2%*	*1.5%*	*0.6%*	*0.6%*	*-0.9%*	*-0.7%*	*2.3%*	*2.0%*	*-1.3%*	*1.5%*
TRANS, COMMUN, PUBLIC UTIL										
Idaho	17,920	18,487	19,257	19,788	20,031	20,342	20,879	21,876	22,704	23,405
% Ch	*-2.0%*	*3.2%*	*4.2%*	*2.8%*	*1.2%*	*1.6%*	*2.6%*	*4.8%*	*3.8%*	*3.1%*
National (Thousands)	5,362	5,512	5,614	5,776	5,755	5,718	5,811	5,985	6,133	6,253
% Ch	*2.2%*	*2.8%*	*1.9%*	*2.9%*	*-0.4%*	*-0.6%*	*1.6%*	*3.0%*	*2.5%*	*2.0%*
TRADE										
Idaho	84,896	87,345	93,126	97,087	100,981	105,893	109,374	116,691	121,402	125,178
% Ch	*1.2%*	*2.9%*	*6.6%*	*4.3%*	*4.0%*	*4.9%*	*3.3%*	*6.7%*	*4.0%*	*3.1%*
National (Thousands)	24,269	25,055	25,664	25,774	25,363	25,352	25,753	26,664	27,564	28,076
% Ch	*2.7%*	*3.2%*	*2.4%*	*0.4%*	*-1.6%*	*0.0%*	*1.6%*	*3.5%*	*3.4%*	*1.9%*
SERVICES										
Idaho	67,956	71,913	76,161	81,750	85,622	90,396	97,221	102,832	110,105	115,975
% Ch	*2.0%*	*5.8%*	*5.9%*	*7.3%*	*4.7%*	*5.6%*	*7.6%*	*5.8%*	*7.1%*	*5.3%*
National (Thousands)	24,109	25,500	26,904	27,930	28,335	29,047	30,193	31,575	33,115	34,455
% Ch	*5.0%*	*5.8%*	*5.5%*	*3.8%*	*1.5%*	*2.5%*	*3.9%*	*4.6%*	*4.9%*	*4.0%*
STATE & LOCAL GOVERNMENT										
Idaho	61,123	63,159	65,185	68,339	71,423	74,561	76,831	78,874	81,682	83,373
% Ch	*3.4%*	*3.3%*	*3.2%*	*4.8%*	*4.5%*	*4.4%*	*3.0%*	*2.7%*	*3.6%*	*2.1%*
National (Thousands)	14,065	14,411	14,791	15,220	15,439	15,672	15,913	16,241	16,472	16,647
% Ch	*2.0%*	*2.5%*	*2.6%*	*2.9%*	*1.4%*	*1.5%*	*1.5%*	*2.1%*	*1.4%*	*1.1%*
Idaho Education	33,423	34,575	35,604	37,268	38,840	40,453	42,014	42,721	44,846	45,840
% Ch	*1.8%*	*3.4%*	*3.0%*	*4.7%*	*4.2%*	*4.2%*	*3.9%*	*1.7%*	*5.0%*	*2.2%*
Idaho Other	27,701	28,583	29,581	31,071	32,583	34,108	34,817	36,153	36,835	37,533
% Ch	*5.4%*	*3.2%*	*3.5%*	*5.0%*	*4.9%*	*4.7%*	*2.1%*	*3.8%*	*1.9%*	*1.9%*
FEDERAL GOVERNMENT										
Idaho	12,088	12,477	12,692	13,057	12,911	13,460	13,583	13,496	13,112	12,897
% Ch	*2.2%*	*3.2%*	*1.7%*	*2.9%*	*-1.1%*	*4.3%*	*0.9%*	*-0.6%*	*-2.8%*	*-1.6%*
National (Thousands)	2,943	2,972	2,989	3,086	2,967	2,968	2,914	2,870	2,821	2,755
% Ch	*1.5%*	*1.0%*	*0.6%*	*3.3%*	*-3.9%*	*0.0%*	*-1.8%*	*-1.5%*	*-1.7%*	*-2.3%*

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IDAHO ECONOMIC FORECAST

ANNUAL DETAIL
JANUARY 2003

EMPLOYMENT

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
GOODS PRODUCING (continued)										
CONSTRUCTION										
Idaho	32,202	32,230	34,857	36,449	37,269	35,463	35,407	35,084	35,324	36,533
% Ch	*5.2%*	*0.1%*	*8.2%*	*4.6%*	*2.2%*	*-4.8%*	*-0.2%*	*-0.9%*	*0.7%*	*3.4%*
National (Thousands)	5,691	6,019	6,415	6,655	6,688	6,558	6,533	6,732	6,998	7,218
% Ch	*5.0%*	*5.8%*	*6.6%*	*3.7%*	*0.5%*	*-2.0%*	*-0.4%*	*3.1%*	*3.9%*	*3.1%*
SERVICE PRODUCING SECTOR										
Idaho	398,827	410,278	425,544	443,181	453,710	459,051	465,124	474,009	485,366	501,293
% Ch	*3.3%*	*2.9%*	*3.7%*	*4.1%*	*2.4%*	*1.2%*	*1.3%*	*1.9%*	*2.4%*	*3.3%*
National (Thousands)	97,713	100,437	103,396	106,044	106,978	106,972	108,421	111,505	113,735	115,182
% Ch	*2.7%*	*2.8%*	*2.9%*	*2.6%*	*0.9%*	*0.0%*	*1.4%*	*2.8%*	*2.0%*	*1.3%*
FINANCE, INSUR, REAL ESTATE										
Idaho	25,395	22,934	23,568	23,503	24,087	24,398	24,501	24,729	25,038	25,388
% Ch	*0.9%*	*-9.7%*	*2.8%*	*-0.3%*	*2.5%*	*1.3%*	*0.4%*	*0.9%*	*1.3%*	*1.4%*
National (Thousands)	7,108	7,388	7,555	7,578	7,713	7,756	7,959	8,237	8,419	8,482
% Ch	*2.8%*	*3.9%*	*2.3%*	*0.3%*	*1.8%*	*0.6%*	*2.6%*	*3.5%*	*2.2%*	*0.8%*
TRANS, COMMUN, PUBLIC UTIL										
Idaho	24,246	25,496	26,897	27,945	28,137	27,832	28,286	28,746	29,198	29,675
% Ch	*3.6%*	*5.2%*	*5.5%*	*3.9%*	*0.7%*	*-1.1%*	*1.6%*	*1.6%*	*1.6%*	*1.6%*
National (Thousands)	6,407	6,609	6,834	7,032	7,067	6,776	6,843	7,102	7,297	7,420
% Ch	*2.4%*	*3.2%*	*3.4%*	*2.9%*	*0.5%*	*-4.1%*	*1.0%*	*3.8%*	*2.7%*	*1.7%*
TRADE										
Idaho	128,994	132,592	136,240	141,080	140,974	140,765	142,868	146,174	150,559	157,179
% Ch	*3.0%*	*2.8%*	*2.8%*	*3.6%*	*-0.1%*	*-0.1%*	*1.5%*	*2.3%*	*3.0%*	*4.4%*
National (Thousands)	28,617	29,100	29,760	30,279	30,294	30,003	30,084	30,517	30,712	30,682
% Ch	*1.9%*	*1.7%*	*2.3%*	*1.7%*	*0.0%*	*-1.0%*	*0.3%*	*1.4%*	*0.6%*	*-0.1%*
SERVICES										
Idaho	122,618	128,736	135,726	144,984	150,339	154,664	158,312	162,940	168,826	176,871
% Ch	*5.7%*	*5.0%*	*5.4%*	*6.8%*	*3.7%*	*2.9%*	*2.4%*	*2.9%*	*3.6%*	*4.8%*
National (Thousands)	36,037	37,529	39,051	40,459	40,977	41,200	42,206	44,069	45,429	46,501
% Ch	*4.6%*	*4.1%*	*4.1%*	*3.6%*	*1.3%*	*0.5%*	*2.4%*	*4.4%*	*3.1%*	*2.4%*
STATE & LOCAL GOVERNMENT										
Idaho	84,534	87,711	90,269	92,237	96,889	98,248	97,977	98,272	98,675	99,189
% Ch	*1.4%*	*3.8%*	*2.9%*	*2.2%*	*5.0%*	*1.4%*	*-0.3%*	*0.3%*	*0.4%*	*0.5%*
National (Thousands)	16,846	17,125	17,529	17,916	18,309	18,621	18,648	18,871	19,163	19,377
% Ch	*1.2%*	*1.7%*	*2.4%*	*2.2%*	*2.2%*	*1.7%*	*0.1%*	*1.2%*	*1.5%*	*1.1%*
Idaho Education	46,015	47,874	49,380	50,589	51,652	52,173	52,367	52,586	52,879	53,240
% Ch	*0.4%*	*4.0%*	*3.1%*	*2.4%*	*2.1%*	*1.0%*	*0.4%*	*0.4%*	*0.6%*	*0.7%*
Idaho Other	38,518	39,837	40,889	41,648	45,237	46,075	45,610	45,687	45,795	45,949
% Ch	*2.6%*	*3.4%*	*2.6%*	*1.9%*	*8.6%*	*1.9%*	*-1.0%*	*0.2%*	*0.2%*	*0.3%*
FEDERAL GOVERNMENT										
Idaho	13,040	12,807	12,844	13,431	13,284	13,143	13,180	13,148	13,071	12,991
% Ch	*1.1%*	*-1.8%*	*0.3%*	*4.6%*	*-1.1%*	*-1.1%*	*0.3%*	*-0.2%*	*-0.6%*	*-0.6%*
National (Thousands)	2,698	2,685	2,667	2,780	2,618	2,616	2,681	2,709	2,715	2,719
% Ch	*-2.0%*	*-0.5%*	*-0.7%*	*4.2%*	*-5.8%*	*-0.1%*	*2.5%*	*1.0%*	*0.2%*	*0.2%*

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IDAHO ECONOMIC FORECAST

ANNUAL DETAIL
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MISCELLANEOUS

	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996
FEDERAL TRANSFERS TO										
STATE & LOCAL GOVERNMENTS										
Idaho (Millions)	423.0	456.2	524.2	553.0	590.9	667.9	723.9	766.2	835.6	910.5
% Ch	*-5.6%*	*7.8%*	*14.9%*	*5.5%*	*6.8%*	*13.0%*	*8.4%*	*5.8%*	*9.1%*	*9.0%*
National (Billions)	83.9	91.6	98.3	111.4	131.6	149.1	162.6	174.5	184.5	190.4
% Ch	*-4.3%*	*9.2%*	*7.3%*	*13.3%*	*18.1%*	*13.3%*	*9.1%*	*7.3%*	*5.7%*	*3.2%*
SELECTED CHAIN-WEIGHTED DEFL.										
Gross Domestic Product	77.6	80.2	83.3	86.5	89.7	91.8	94.1	96.0	98.1	100.0
% Ch	*3.0%*	*3.4%*	*3.8%*	*3.9%*	*3.6%*	*2.4%*	*2.4%*	*2.1%*	*2.2%*	*1.9%*
Consumption Expenditures	75.5	78.4	81.9	85.6	88.9	91.6	93.8	95.7	97.9	100.0
% Ch	*3.8%*	*3.9%*	*4.4%*	*4.6%*	*3.8%*	*3.1%*	*2.4%*	*2.0%*	*2.3%*	*2.1%*
Durable Goods	92.2	93.5	95.1	96.0	97.4	98.3	99.1	100.6	101.1	100.0
% Ch	*2.8%*	*1.4%*	*1.8%*	*0.9%*	*1.4%*	*0.9%*	*0.8%*	*1.5%*	*0.5%*	*-1.0%*
Nondurable Goods	79.7	82.3	86.3	91.0	93.8	95.2	96.1	96.8	97.9	100.0
% Ch	*3.4%*	*3.4%*	*4.8%*	*5.5%*	*3.1%*	*1.5%*	*1.0%*	*0.7%*	*1.1%*	*2.1%*
Services	70.2	73.6	77.1	80.9	84.8	88.5	91.6	94.2	97.3	100.0
% Ch	*4.3%*	*4.9%*	*4.8%*	*5.0%*	*4.8%*	*4.3%*	*3.5%*	*2.8%*	*3.3%*	*2.8%*
Cons. Price Index (1982-84)	113.6	118.3	123.9	130.7	136.2	140.3	144.5	148.2	152.4	156.9
% Ch	*3.6%*	*4.1%*	*4.8%*	*5.4%*	*4.2%*	*3.0%*	*3.0%*	*2.6%*	*2.8%*	*2.9%*
SELECTED INTEREST RATES										
Federal Funds	6.7%	7.6%	9.2%	8.1%	5.7%	3.5%	3.0%	4.2%	5.8%	5.3%
Prime	8.2%	9.3%	10.9%	10.0%	8.5%	6.3%	6.0%	7.1%	8.8%	8.3%
Existing Home Mortgage	9.3%	9.3%	10.1%	10.0%	9.3%	8.1%	7.2%	7.5%	7.8%	7.7%
U.S. Govt. 3-Month Bills	5.8%	6.6%	8.1%	7.5%	5.4%	3.4%	3.0%	4.2%	5.5%	5.0%
SELECTED US PRODUCTION INDICES										
Lumber & Wood Products	95.0	95.2	94.4	92.0	85.6	90.6	91.3	95.9	97.7	100.0
% Ch	*5.3%*	*0.2%*	*-0.8%*	*-2.6%*	*-6.9%*	*5.8%*	*0.8%*	*5.1%*	*1.9%*	*2.3%*
Office & Computer Equip.	20.0	24.0	26.7	26.2	26.5	32.1	39.8	50.0	69.7	100.0
% Ch	*15.9%*	*19.9%*	*11.2%*	*-1.9%*	*1.1%*	*21.4%*	*23.8%*	*25.8%*	*39.3%*	*43.5%*
Electrical Machinery	36.7	40.0	41.6	42.5	43.4	48.5	53.2	63.6	80.2	100.0
% Ch	*6.6%*	*9.1%*	*3.9%*	*2.3%*	*2.1%*	*11.6%*	*9.8%*	*19.6%*	*26.0%*	*24.6%*
Electronic Components	14.8	16.7	18.6	20.5	23.0	28.5	32.7	43.3	67.4	100.0
% Ch	*17.4%*	*12.7%*	*11.5%*	*10.4%*	*12.2%*	*23.7%*	*14.7%*	*32.5%*	*55.4%*	*48.4%*
Food	88.8	90.1	91.0	92.1	93.4	94.9	96.8	98.3	100.3	100.0
% Ch	*2.6%*	*1.4%*	*1.1%*	*1.2%*	*1.4%*	*1.6%*	*2.0%*	*1.6%*	*2.0%*	*-0.3%*
Paper	85.1	87.8	89.3	89.9	90.6	93.6	96.8	100.2	100.8	100.0
% Ch	*3.0%*	*3.1%*	*1.7%*	*0.6%*	*0.8%*	*3.3%*	*3.4%*	*3.5%*	*0.6%*	*-0.8%*
Agricultural Chemicals	82.6	87.9	95.0	98.1	95.4	97.7	98.5	98.2	98.0	100.0
% Ch	*13.1%*	*6.4%*	*8.1%*	*3.3%*	*-2.8%*	*2.5%*	*0.8%*	*-0.3%*	*-0.2%*	*2.1%*
Metals & Minerals Mining	73.3	80.3	85.1	89.2	86.2	90.5	91.3	95.1	98.0	100.0
% Ch	*4.6%*	*9.5%*	*6.0%*	*4.8%*	*-3.3%*	*5.0%*	*0.8%*	*4.2%*	*3.0%*	*2.1%*

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ANNUAL DETAIL
JANUARY 2003

MISCELLANEOUS

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
FEDERAL TRANSFERS TO										
STATE & LOCAL GOVERNMENTS										
Idaho (Millions)	907.1	951.3	1,041.9	1,118.6	1,252.3	1,379.1	1,497.6	1,585.1	1,654.9	1,715.1
% Ch	*-0.4%*	*4.9%*	*9.5%*	*7.4%*	*12.0%*	*10.1%*	*8.6%*	*5.8%*	*4.4%*	*3.6%*
National (Billions)	196.8	210.3	231.0	247.5	277.4	306.5	333.9	353.5	369.0	382.0
% Ch	*3.3%*	*6.8%*	*9.9%*	*7.1%*	*12.1%*	*10.5%*	*8.9%*	*5.9%*	*4.4%*	*3.5%*
SELECTED CHAIN-WEIGHTED DEFL.										
Gross Domestic Product	101.9	103.2	104.7	106.9	109.4	110.7	113.0	115.8	118.4	120.6
% Ch	*1.9%*	*1.2%*	*1.4%*	*2.1%*	*2.4%*	*1.2%*	*2.1%*	*2.5%*	*2.2%*	*1.9%*
Consumption Expenditures	101.9	103.0	104.7	107.4	109.6	111.1	113.4	116.1	118.6	120.9
% Ch	*1.9%*	*1.1%*	*1.6%*	*2.5%*	*2.0%*	*1.4%*	*2.1%*	*2.4%*	*2.2%*	*1.9%*
Durable Goods	97.7	95.4	93.0	91.5	89.7	87.2	86.4	86.2	86.1	85.9
% Ch	*-2.3%*	*-2.4%*	*-2.5%*	*-1.7%*	*-1.9%*	*-2.8%*	*-1.0%*	*-0.2%*	*-0.2%*	*-0.2%*
Nondurable Goods	101.3	101.3	103.7	107.6	109.2	109.6	111.4	113.5	115.5	117.4
% Ch	*1.3%*	*0.0%*	*2.3%*	*3.8%*	*1.5%*	*0.4%*	*1.6%*	*1.9%*	*1.8%*	*1.6%*
Services	103.1	105.5	107.8	110.8	114.3	117.5	120.9	124.7	128.2	131.3
% Ch	*3.1%*	*2.3%*	*2.2%*	*2.8%*	*3.1%*	*2.7%*	*2.9%*	*3.2%*	*2.8%*	*2.5%*
Cons. Price Index (1982-84)	160.5	163.0	166.6	172.2	177.1	179.9	184.1	188.7	193.2	197.3
% Ch	*2.3%*	*1.5%*	*2.2%*	*3.4%*	*2.8%*	*1.6%*	*2.3%*	*2.5%*	*2.4%*	*2.2%*
SELECTED INTEREST RATES										
Federal Funds	5.5%	5.4%	5.0%	6.2%	3.9%	1.7%	1.7%	3.3%	4.2%	4.9%
Prime	8.4%	8.4%	8.0%	9.2%	6.9%	4.7%	4.7%	6.3%	7.2%	7.9%
Existing Home Mortgage	7.7%	7.1%	7.3%	8.0%	7.0%	6.5%	6.3%	7.5%	7.8%	7.8%
U.S. Govt. 3-Month Bills	5.1%	4.8%	4.6%	5.8%	3.4%	1.6%	1.7%	3.1%	3.9%	4.6%
SELECTED US PRODUCTION INDICES										
Lumber & Wood Products	102.4	106.3	110.5	107.6	102.3	101.9	98.7	99.5	100.4	102.1
% Ch	*2.4%*	*3.8%*	*3.9%*	*-2.7%*	*-4.9%*	*-0.3%*	*-3.2%*	*0.8%*	*0.9%*	*1.7%*
Office & Computer Equip.	140.8	192.2	258.5	343.8	351.7	383.8	469.1	596.4	727.3	853.7
% Ch	*40.8%*	*36.5%*	*34.5%*	*33.0%*	*2.3%*	*9.1%*	*22.2%*	*27.1%*	*22.0%*	*17.4%*
Electrical Machinery	129.3	162.1	199.4	260.1	245.3	250.1	286.3	350.1	416.8	483.4
% Ch	*29.3%*	*25.4%*	*23.0%*	*30.5%*	*-5.7%*	*1.9%*	*14.5%*	*22.3%*	*19.0%*	*16.0%*
Electronic Components	151.7	227.5	327.1	502.6	480.3	553.1	691.0	881.2	1,092.3	1,321.6
% Ch	*51.7%*	*49.9%*	*43.8%*	*53.6%*	*-4.4%*	*15.2%*	*24.9%*	*27.5%*	*24.0%*	*21.0%*
Food	101.7	105.0	106.3	108.0	107.2	107.6	109.5	112.7	115.5	117.6
% Ch	*1.7%*	*3.2%*	*1.2%*	*1.6%*	*-0.7%*	*0.4%*	*1.7%*	*3.0%*	*2.5%*	*1.8%*
Paper	105.1	106.6	107.6	106.7	101.2	100.5	103.4	106.7	109.4	111.6
% Ch	*5.1%*	*1.4%*	*1.0%*	*-0.8%*	*-5.1%*	*-0.6%*	*2.8%*	*3.2%*	*2.5%*	*2.0%*
Agricultural Chemicals	104.3	107.4	102.4	95.5	90.7	89.0	89.3	90.6	92.5	93.9
% Ch	*4.3%*	*3.0%*	*-4.7%*	*-6.7%*	*-5.0%*	*-1.9%*	*0.3%*	*1.4%*	*2.1%*	*1.5%*
Metals & Minerals Mining	104.4	106.0	105.4	106.1	104.1	101.6	101.7	103.8	108.4	113.0
% Ch	*4.4%*	*1.5%*	*-0.5%*	*0.6%*	*-1.9%*	*-2.4%*	*0.1%*	*2.1%*	*4.5%*	*4.2%*

National Variables Forecast by GLOBAL INSIGHT
Forecast Begins the THIRD Quarter of 2002

IDAHO ECONOMIC FORECAST

QUARTERLY DETAIL

JANUARY 2003

DEMOGRAPHICS

	2000				2001				2002			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
POPULATION												
Idaho (Thousands)	1,290.5	1,296.4	1,302.1	1,307.6	1,313.3	1,318.5	1,323.0	1,327.8	1,331.6	1,334.7	1,338.0	1,340.6
% Ch	*1.9%*	*1.8%*	*1.8%*	*1.7%*	*1.8%*	*1.6%*	*1.4%*	*1.5%*	*1.2%*	*0.9%*	*1.0%*	*0.8%*
National (Millions)	281.7	282.4	283.1	283.7	284.4	285.0	285.7	286.3	287.0	287.6	288.3	288.9
% Ch	*1.0%*	*1.0%*	*1.0%*	*1.0%*	*0.9%*	*0.9%*	*0.9%*	*0.9%*	*0.9%*	*0.9%*	*0.9%*	*0.9%*
BIRTHS												
Idaho (Thousands)	20.083	20.239	20.374	20.521	20.569	20.658	20.719	20.792	20.828	20.833	20.850	20.840
% Ch	*-0.9%*	*3.1%*	*2.7%*	*2.9%*	*0.9%*	*1.7%*	*1.2%*	*1.4%*	*0.7%*	*0.1%*	*0.3%*	*-0.2%*
National (Thousands)	3,872	3,872	3,872	3,873	3,874	3,875	3,877	3,879	3,881	3,883	3,886	3,890
% Ch	*-0.1%*	*-0.1%*	*0.0%*	*0.1%*	*0.1%*	*0.1%*	*0.2%*	*0.2%*	*0.2%*	*0.2%*	*0.3%*	*0.4%*
DEATHS												
Idaho (Thousands)	9.448	9.509	9.567	9.627	9.753	9.793	9.830	9.868	9.900	9.928	9.958	9.983
% Ch	*-6.7%*	*2.6%*	*2.5%*	*2.5%*	*5.3%*	*1.7%*	*1.5%*	*1.6%*	*1.3%*	*1.1%*	*1.2%*	*1.0%*
National (Thousands)	2,415	2,421	2,427	2,433	2,438	2,443	2,449	2,454	2,459	2,465	2,470	2,475
% Ch	*1.1%*	*1.0%*	*1.0%*	*0.9%*	*0.9%*	*0.9%*	*0.9%*	*0.9%*	*0.9%*	*0.9%*	*0.8%*	*0.8%*
NET MIGRATION												
Idaho (Thousands)	13.089	12.665	11.975	11.229	12.026	9.936	7.111	8.276	4.454	1.135	2.522	-0.386
HOUSING												
HOUSING STARTS												
Idaho	11,436	11,392	11,805	11,503	13,141	12,930	11,543	11,433	11,493	11,999	12,902	11,844
% Ch	*40.5%*	*-1.5%*	*15.3%*	*-9.8%*	*70.3%*	*-6.3%*	*-36.5%*	*-3.8%*	*2.1%*	*18.8%*	*33.7%*	*-29.0%*
National (Millions)	*1.659*	*1.587*	*1.504*	*1.544*	*1.611*	*1.624*	*1.603*	*1.573*	*1.725*	*1.667*	*1.698*	*1.640*
% Ch	*1.1%*	*-16.3%*	*-19.3%*	*11.2%*	*18.6%*	*3.3%*	*-5.2%*	*-7.3%*	*44.9%*	*-12.9%*	*7.7%*	*-12.8%*
SINGLE UNITS												
Idaho	10,395	9,975	10,613	10,579	10,739	10,934	10,111	9,991	9,972	10,534	11,233	10,551
% Ch	*65.5%*	*-15.2%*	*28.1%*	*-1.3%*	*6.2%*	*7.5%*	*-26.9%*	*-4.6%*	*-0.8%*	*24.5%*	*29.3%*	*-22.2%*
National (Millions)	1.279	1.236	1.189	1.224	1.263	1.292	1.277	1.258	1.371	1.328	1.340	1.337
% Ch	*-15.9%*	*-12.8%*	*-14.2%*	*12.3%*	*13.4%*	*9.4%*	*-4.6%*	*-5.9%*	*41.4%*	*-12.0%*	*3.6%*	*-1.0%*
MULTIPLE UNITS												
Idaho	1,041	1,418	1,193	924	2,402	1,996	1,432	1,442	1,521	1,465	1,669	1,293
% Ch	*-63.5%*	*243.8%*	*-49.9%*	*-64.0%*	*4467.4%*	*-52.3%*	*-73.5%*	*2.7%*	*23.9%*	*-13.9%*	*68.4%*	*-64.0%*
National (Millions)	0.380	0.351	0.314	0.320	0.348	0.332	0.326	0.315	0.354	0.338	0.358	0.304
% Ch	*101.2%*	*-27.5%*	*-35.7%*	*7.0%*	*40.5%*	*-16.8%*	*-7.8%*	*-12.5%*	*59.5%*	*-16.6%*	*24.9%*	*-48.1%*
HOUSING STOCK												
Idaho (Thousands)	417.3	419.8	422.5	425.0	428.0	430.9	433.5	436.0	438.5	441.2	444.1	446.7
% Ch	*2.5%*	*2.5%*	*2.5%*	*2.4%*	*2.8%*	*2.7%*	*2.4%*	*2.4%*	*2.4%*	*2.5%*	*2.6%*	*2.4%*

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IDAHO ECONOMIC FORECAST

QUARTERLY DETAIL

JANUARY 2003

DEMOGRAPHICS

	2003				2004				2005			
	Q1	**Q2**	**Q3**	**Q4**	**Q1**	**Q2**	**Q3**	**Q4**	**Q1**	**Q2**	**Q3**	**Q4**
POPULATION	1,344.3	1,348.4	1,352.5	1,356.4	1,360.2	1,363.9	1,367.7	1,371.6	1,375.0	1,378.7	1,382.7	1,386.7
Idaho (Thousands)	*1.1%*	*1.2%*	*1.2%*	*1.2%*	*1.1%*	*1.1%*	*1.1%*	*1.1%*	*1.0%*	*1.1%*	*1.2%*	*1.1%*
% Ch	289.6	290.2	290.8	291.5	292.1	292.7	293.4	294.0	294.6	295.2	295.9	296.5
National (Millions)	*0.9%*	*0.9%*	*0.9%*	*0.9%*	*0.9%*	*0.9%*	*0.9%*	*0.9%*	*0.9%*	*0.9%*	*0.8%*	*0.8%*
% Ch												
BIRTHS	20.879	20.937	21.006	21.071	21.131	21.187	21.244	21.307	21.353	21.410	21.476	21.542
Idaho (Thousands)	*0.8%*	*1.1%*	*1.3%*	*1.3%*	*1.1%*	*1.1%*	*1.1%*	*1.2%*	*0.9%*	*1.1%*	*1.2%*	*1.2%*
% Ch	3,894	3,898	3,903	3,909	3,915	3,921	3,928	3,935	3,943	3,951	3,959	3,968
National (Thousands)	*0.4%*	*0.4%*	*0.5%*	*0.6%*	*0.6%*	*0.6%*	*0.7%*	*0.8%*	*0.8%*	*0.8%*	*0.8%*	*0.9%*
% Ch												
DEATHS	10.014	10.049	10.082	10.115	10.148	10.179	10.211	10.244	10.274	10.306	10.339	10.372
Idaho (Thousands)	*1.3%*	*1.4%*	*1.3%*	*1.3%*	*1.3%*	*1.3%*	*1.3%*	*1.3%*	*1.2%*	*1.2%*	*1.3%*	*1.3%*
% Ch	2,480	2,485	2,490	2,495	2,499	2,504	2,510	2,515	2,520	2,525	2,531	2,536
National (Thousands)	*0.8%*	*0.8%*	*0.8%*	*0.8%*	*0.8%*	*0.8%*	*0.8%*	*0.8%*	*0.8%*	*0.8%*	*1.0%*	*0.8%*
% Ch												
NET MIGRATION	3.782	5.719	5.211	4.879	4.233	3.738	3.981	4.445	2.692	3.804	4.775	4.658
Idaho (Thousands)												
HOUSING												
HOUSING STARTS	11,566	11,369	11,064	10,823	10,868	10,873	10,889	10,912	10,979	11,037	11,120	11,186
Idaho	*-9.1%*	*-6.6%*	*-10.3%*	*-8.4%*	*1.7%*	*0.2%*	*0.6%*	*0.8%*	*2.5%*	*2.2%*	*3.0%*	*2.4%*
% Ch	*1.593*	*1.572*	*1.571*	*1.586*	*1.632*	*1.674*	*1.677*	*1.697*	*1.701*	*1.704*	*1.703*	*1.702*
National (Millions)	*-11.1%*	*-5.1%*	*-0.3%*	*3.9%*	*12.1%*	*10.5%*	*0.8%*	*4.9%*	*0.8%*	*0.8%*	*-0.3%*	*-0.1%*
% Ch												
SINGLE UNITS	10,329	10,167	9,917	9,749	9,839	9,914	10,005	10,088	10,159	10,205	10,250	10,263
Idaho	*-8.1%*	*-6.1%*	*-9.5%*	*-6.6%*	*3.8%*	*3.0%*	*3.7%*	*3.4%*	*2.8%*	*1.8%*	*1.7%*	*0.5%*
% Ch	1.321	1.294	1.286	1.299	1.318	1.333	1.329	1.328	1.327	1.325	1.320	1.318
National (Millions)	*-4.5%*	*-7.9%*	*-2.6%*	*4.1%*	*6.1%*	*4.5%*	*-1.2%*	*-0.2%*	*-0.4%*	*-0.4%*	*-1.6%*	*-0.6%*
% Ch												
MULTIPLE UNITS	1,236	1,202	1,147	1,075	1,029	959	884	824	819	832	870	923
Idaho	*-16.3%*	*-10.7%*	*-17.0%*	*-23.0%*	*-16.0%*	*-24.5%*	*-27.7%*	*-24.6%*	*-2.1%*	*6.4%*	*19.7%*	*26.6%*
% Ch	0.271	0.278	0.285	0.287	0.314	0.341	0.348	0.369	0.374	0.379	0.383	0.384
National (Millions)	*-36.2%*	*9.8%*	*11.3%*	*2.9%*	*42.2%*	*38.9%*	*8.9%*	*26.3%*	*5.6%*	*5.0%*	*4.4%*	*1.5%*
% Ch												
HOUSING STOCK												
Idaho (Thousands)	449.3	451.8	454.2	456.6	459.0	461.3	463.7	466.1	468.5	470.9	473.3	475.8
% Ch	*2.3%*	*2.2%*	*2.2%*	*2.1%*	*2.1%*	*2.1%*	*2.1%*	*2.1%*	*2.1%*	*2.1%*	*2.1%*	*2.1%*

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QUARTERLY DETAIL

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OUTPUT, INCOME, & WAGES

	2000				2001				2002			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
GROSS DOM. PRODUCT (Billions)												
Current Dollars	9,650	9,821	9,875	9,954	10,028	10,050	10,098	10,153	10,313	10,377	10,504	10,584
% Ch	*5.7%*	*7.3%*	*2.2%*	*3.2%*	*3.0%*	*0.9%*	*1.9%*	*2.2%*	*6.5%*	*2.5%*	*5.0%*	*3.1%*
1996 Chain-Weighted	9,097	9,206	9,219	9,244	9,230	9,193	9,186	9,249	9,363	9,392	9,484	9,499
% Ch	*2.6%*	*4.8%*	*0.6%*	*1.1%*	*-0.6%*	*-1.6%*	*-0.3%*	*2.7%*	*5.0%*	*1.3%*	*4.0%*	*0.6%*
PERSONAL INCOME - CURR $												
Idaho (Millions)	30,631	31,195	31,504	31,925	32,235	32,484	32,697	32,684	33,502	33,566	34,067	34,427
% Ch	*11.8%*	*7.6%*	*4.0%*	*5.5%*	*3.9%*	*3.1%*	*2.6%*	*-0.2%*	*10.4%*	*0.8%*	*6.1%*	*4.3%*
Idaho Nonfarm (Millions)	29,871	30,397	30,668	31,140	31,239	31,532	31,761	31,716	32,227	32,745	33,001	33,269
% Ch	*15.6%*	*7.2%*	*3.6%*	*6.3%*	*1.3%*	*3.8%*	*2.9%*	*-0.6%*	*6.6%*	*6.6%*	*3.2%*	*3.3%*
National (Billions)	8,212	8,350	8,488	8,577	8,658	8,676	8,706	8,701	8,803	8,914	8,995	9,062
% Ch	*13.2%*	*6.9%*	*6.8%*	*4.2%*	*3.9%*	*0.8%*	*1.4%*	*-0.2%*	*4.8%*	*5.1%*	*3.7%*	*3.0%*
PERSONAL INCOME - 1996 $												
Idaho (Millions)	28,757	29,123	29,261	29,489	29,533	29,628	29,828	29,756	30,418	30,270	30,589	30,752
% Ch	*8.1%*	*5.2%*	*1.9%*	*3.2%*	*0.6%*	*1.3%*	*2.7%*	*-1.0%*	*9.2%*	*-1.9%*	*4.3%*	*2.1%*
Idaho Nonfarm (Millions)	28,044	28,378	28,485	28,764	28,620	28,760	28,974	28,875	29,260	29,530	29,632	29,717
% Ch	*11.7%*	*4.9%*	*1.5%*	*4.0%*	*-2.0%*	*2.0%*	*3.0%*	*-1.4%*	*5.4%*	*3.7%*	*1.4%*	*1.1%*
National (Billions)	7,710	7,796	7,884	7,922	7,932	7,913	7,942	7,921	7,993	8,038	8,077	8,094
% Ch	*9.5%*	*4.6%*	*4.6%*	*2.0%*	*0.5%*	*-1.0%*	*1.5%*	*-1.0%*	*3.7%*	*2.3%*	*1.9%*	*0.9%*
PER CAPITA PERS INC - CURR $												
Idaho	23,736	24,063	24,196	24,415	24,545	24,637	24,714	24,615	25,158	25,150	25,461	25,680
% Ch	*9.7%*	*5.6%*	*2.2%*	*3.7%*	*2.1%*	*1.5%*	*1.3%*	*-1.6%*	*9.1%*	*-0.1%*	*5.0%*	*3.5%*
National	29,153	29,571	29,986	30,228	30,444	30,438	30,473	30,386	30,675	30,990	31,203	31,365
% Ch	*12.1%*	*5.9%*	*5.7%*	*3.3%*	*2.9%*	*-0.1%*	*0.5%*	*-1.1%*	*3.9%*	*4.2%*	*2.8%*	*2.1%*
PER CAPITA PERS INC - 1996 $												
Idaho	22,284	22,465	22,473	22,553	22,487	22,471	22,545	22,410	22,842	22,680	22,862	22,938
% Ch	*6.1%*	*3.3%*	*0.1%*	*1.4%*	*-1.1%*	*-0.3%*	*1.3%*	*-2.4%*	*7.9%*	*-2.8%*	*3.2%*	*1.3%*
National	27,371	27,609	27,852	27,921	27,892	27,761	27,799	27,664	27,851	27,946	28,017	28,017
% Ch	*8.4%*	*3.5%*	*3.6%*	*1.0%*	*-0.4%*	*-1.9%*	*0.5%*	*-1.9%*	*2.7%*	*1.4%*	*1.0%*	*0.0%*
AVERAGE ANNUAL WAGE												
Idaho	28,687	28,596	28,445	28,945	28,406	28,717	28,877	28,728	29,106	29,315	29,537	29,776
% Ch	*17.1%*	*-1.3%*	*-2.1%*	*7.2%*	*-7.2%*	*4.5%*	*2.2%*	*-2.1%*	*5.4%*	*2.9%*	*3.1%*	*3.3%*
National	36,318	36,344	36,999	37,204	37,456	37,497	37,544	37,607	37,915	38,231	38,527	38,827
% Ch	*13.6%*	*0.3%*	*7.4%*	*2.2%*	*2.7%*	*0.4%*	*0.5%*	*0.7%*	*3.3%*	*3.4%*	*3.1%*	*3.1%*

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QUARTERLY DETAIL

JANUARY 2003

OUTPUT, INCOME, & WAGES

	2003				2004				2005			
	Q1	**Q2**	**Q3**	**Q4**	**Q1**	**Q2**	**Q3**	**Q4**	**Q1**	**Q2**	**Q3**	**Q4**
GROSS DOM. PRODUCT (Billions)												
Current Dollars	10,728	10,876	11,044	11,229	11,461	11,657	11,842	12,015	12,208	12,368	12,524	12,688
% Ch	*5.5%*	*5.6%*	*6.3%*	*6.9%*	*8.5%*	*7.0%*	*6.5%*	*5.9%*	*6.6%*	*5.4%*	*5.2%*	*5.3%*
1996 Chain-Weighted	9,575	9,654	9,746	9,853	9,988	10,098	10,196	10,287	10,390	10,473	10,554	10,645
% Ch	*3.2%*	*3.3%*	*3.9%*	*4.5%*	*5.6%*	*4.5%*	*3.9%*	*3.6%*	*4.0%*	*3.3%*	*3.1%*	*3.5%*
PERSONAL INCOME - CURR $												
Idaho (Millions)	34,786	35,177	35,608	35,977	36,516	37,164	37,805	38,260	38,774	39,373	39,872	40,344
% Ch	*4.2%*	*4.6%*	*5.0%*	*4.2%*	*6.1%*	*7.3%*	*7.1%*	*4.9%*	*5.5%*	*6.3%*	*5.2%*	*4.8%*
Idaho Nonfarm (Millions)	33,656	34,022	34,461	34,877	35,415	35,932	36,427	36,930	37,489	38,042	38,547	39,110
% Ch	*4.7%*	*4.4%*	*5.3%*	*4.9%*	*6.3%*	*6.0%*	*5.6%*	*5.6%*	*6.2%*	*6.0%*	*5.4%*	*6.0%*
National (Billions)	9,190	9,292	9,415	9,550	9,723	9,886	10,038	10,178	10,340	10,487	10,617	10,757
% Ch	*5.8%*	*4.5%*	*5.4%*	*5.8%*	*7.5%*	*6.9%*	*6.3%*	*5.7%*	*6.5%*	*5.8%*	*5.1%*	*5.4%*
PERSONAL INCOME - 1996 $												
Idaho (Millions)	30,948	31,129	31,314	31,442	31,724	32,105	32,468	32,670	32,933	33,269	33,527	33,770
% Ch	*2.6%*	*2.4%*	*2.4%*	*1.6%*	*3.6%*	*4.9%*	*4.6%*	*2.5%*	*3.3%*	*4.1%*	*3.1%*	*2.9%*
Idaho Nonfarm (Millions)	29,942	30,108	30,305	30,481	30,768	31,040	31,284	31,534	31,842	32,145	32,412	32,737
% Ch	*3.1%*	*2.2%*	*2.7%*	*2.3%*	*3.8%*	*3.6%*	*3.2%*	*3.2%*	*4.0%*	*3.9%*	*3.4%*	*4.1%*
National (Billions)	8,176	8,222	8,280	8,346	8,447	8,540	8,621	8,691	8,782	8,861	8,927	9,004
% Ch	*4.1%*	*2.3%*	*2.8%*	*3.2%*	*4.9%*	*4.5%*	*3.8%*	*3.3%*	*4.3%*	*3.6%*	*3.0%*	*3.5%*
PER CAPITA PERS INC - CURR $												
Idaho	25,877	26,087	26,328	26,523	26,845	27,248	27,642	27,896	28,199	28,557	28,836	29,094
% Ch	*3.1%*	*3.3%*	*3.7%*	*3.0%*	*4.9%*	*6.1%*	*5.9%*	*3.7%*	*4.4%*	*5.2%*	*4.0%*	*3.6%*
National	31,738	32,019	32,375	32,765	33,288	33,772	34,217	34,621	35,096	35,519	35,885	36,282
% Ch	*4.8%*	*3.6%*	*4.5%*	*4.9%*	*6.5%*	*5.9%*	*5.4%*	*4.8%*	*5.6%*	*4.9%*	*4.2%*	*4.5%*
PER CAPITA PERS INC - 1996 $												
Idaho	23,022	23,085	23,153	23,180	23,322	23,538	23,739	23,819	23,952	24,130	24,247	24,353
% Ch	*1.5%*	*1.1%*	*1.2%*	*0.5%*	*2.5%*	*3.8%*	*3.5%*	*1.4%*	*2.2%*	*3.0%*	*2.0%*	*1.8%*
National	28,236	28,335	28,471	28,635	28,919	29,174	29,386	29,562	29,809	30,013	30,174	30,370
% Ch	*3.2%*	*1.4%*	*1.9%*	*2.3%*	*4.0%*	*3.6%*	*2.9%*	*2.4%*	*3.4%*	*2.8%*	*2.2%*	*2.6%*
AVERAGE ANNUAL WAGE												
Idaho	30,000	30,270	30,541	30,817	31,114	31,411	31,687	31,971	32,287	32,599	32,876	33,161
% Ch	*3.0%*	*3.7%*	*3.6%*	*3.7%*	*3.9%*	*3.9%*	*3.6%*	*3.6%*	*4.0%*	*3.9%*	*3.4%*	*3.5%*
National	39,239	39,585	40,034	40,431	40,928	41,392	41,834	42,272	42,769	43,204	43,606	44,004
% Ch	*4.3%*	*3.6%*	*4.6%*	*4.0%*	*5.0%*	*4.6%*	*4.3%*	*4.3%*	*4.8%*	*4.1%*	*3.8%*	*3.7%*

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IDAHO ECONOMIC FORECAST

QUARTERLY DETAIL

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PERSONAL INCOME -- CURR $$

	2000				2001				2002			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
WAGE AND SALARY PAYMENTS												
Idaho (Millions)	16,352	16,493	16,535	16,894	16,727	16,910	16,978	16,827	17,027	17,238	17,334	17,490
% Ch	*21.3%*	*3.5%*	*1.0%*	*9.0%*	*-3.9%*	*4.4%*	*1.6%*	*-3.5%*	*4.8%*	*5.0%*	*2.3%*	*3.6%*
National (Billions)	4,757	4,791	4,879	4,918	4,960	4,957	4,954	4,931	4,958	4,997	5,042	5,084
% Ch	*16.7%*	*2.8%*	*7.6%*	*3.2%*	*3.5%*	*-0.3%*	*-0.3%*	*-1.8%*	*2.2%*	*3.2%*	*3.6%*	*3.4%*
FARM PROPRIETORS INCOME												
Idaho (Millions)	411	436	467	414	626	577	558	588	888	425	686	777
% Ch	*-83.6%*	*26.6%*	*31.6%*	*-38.2%*	*422.8%*	*-27.8%*	*-12.5%*	*23.3%*	*420.2%*	*-94.8%*	*578.4%*	*64.5%*
National (Billions)	22	25	22	21	19	18	19	19	22	7	11	12
% Ch	*-39.8%*	*57.6%*	*-43.6%*	*-8.2%*	*-32.4%*	*-16.8%*	*21.0%*	*-0.8%*	*62.2%*	*-98.6%*	*324.0%*	*41.0%*
NONFARM PROPRIETORS INCOME												
Idaho (Millions)	3,205	3,288	3,276	3,255	3,287	3,321	3,347	3,382	3,409	3,471	3,513	3,562
% Ch	*2.7%*	*10.8%*	*-1.5%*	*-2.5%*	*4.0%*	*4.2%*	*3.2%*	*4.2%*	*3.2%*	*7.5%*	*5.0%*	*5.7%*
National (Billions)	680	694	697	698	702	708	713	712	727	740	748	759
% Ch	*4.9%*	*8.3%*	*1.8%*	*0.7%*	*2.2%*	*3.6%*	*2.8%*	*-0.6%*	*8.4%*	*7.6%*	*4.6%*	*5.6%*
DIVIDENDS, RENT & INTEREST												
Idaho (Millions)	5,725	5,924	6,102	6,157	6,203	6,186	6,204	6,196	6,222	6,324	6,323	6,315
% Ch	*7.1%*	*14.6%*	*12.6%*	*3.7%*	*3.0%*	*-1.1%*	*1.2%*	*-0.5%*	*1.7%*	*6.7%*	*-0.1%*	*-0.5%*
National (Billions)	1,531	1,590	1,625	1,651	1,648	1,638	1,638	1,630	1,635	1,666	1,665	1,658
% Ch	*14.2%*	*16.5%*	*9.0%*	*6.5%*	*-0.7%*	*-2.5%*	*0.2%*	*-2.1%*	*1.3%*	*7.8%*	*-0.2%*	*-1.7%*
OTHER LABOR INCOME												
Idaho (Millions)	1,902	1,935	1,947	1,979	1,975	1,984	2,020	2,008	2,089	2,148	2,190	2,230
% Ch	*12.7%*	*7.1%*	*2.5%*	*6.7%*	*-0.8%*	*1.8%*	*7.5%*	*-2.4%*	*17.1%*	*11.8%*	*8.1%*	*7.4%*
National (Billions)	531	540	549	557	565	568	572	576	591	604	618	630
% Ch	*9.8%*	*7.4%*	*6.6%*	*6.4%*	*5.4%*	*2.5%*	*3.0%*	*2.8%*	*10.4%*	*9.3%*	*9.2%*	*8.2%*
GOVT. TRANSFERS TO INDIV.												
Idaho (Millions)	3,816	3,917	3,970	4,050	4,231	4,330	4,438	4,533	4,745	4,858	4,920	4,962
% Ch	*9.1%*	*11.0%*	*5.5%*	*8.3%*	*19.1%*	*9.7%*	*10.4%*	*8.8%*	*20.1%*	*9.9%*	*5.2%*	*3.4%*
National (Billions)	1,045	1,066	1,077	1,094	1,135	1,159	1,183	1,205	1,252	1,283	1,298	1,310
% Ch	*6.0%*	*8.2%*	*4.2%*	*6.7%*	*15.8%*	*8.8%*	*8.3%*	*7.8%*	*16.5%*	*10.1%*	*5.0%*	*3.7%*
CONTRIB. FOR SOCIAL INSUR.												
Idaho (Millions)	1,266	1,270	1,269	1,295	1,301	1,322	1,332	1,325	1,362	1,379	1,384	1,398
% Ch	*17.5%*	*1.3%*	*-0.3%*	*8.5%*	*1.9%*	*6.6%*	*3.1%*	*-2.1%*	*11.6%*	*5.1%*	*1.3%*	*4.2%*
National (Billions)	355	355	361	363	371	372	373	373	380	384	387	390
% Ch	*13.4%*	*0.9%*	*6.1%*	*2.8%*	*9.2%*	*1.1%*	*1.0%*	*-0.4%*	*8.6%*	*3.3%*	*3.6%*	*3.3%*
RESIDENCE ADJUSTMENT												
Idaho (Millions)	486	472	476	471	487	496	482	476	483	482	484	488
% Ch	*148.7%*	*-11.0%*	*3.4%*	*-4.1%*	*14.3%*	*7.6%*	*-10.8%*	*-4.9%*	*6.0%*	*-0.8%*	*1.4%*	*3.8%*

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PERSONAL INCOME -- CURR $$

	2003				2004				2005			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
WAGE AND SALARY PAYMENTS												
Idaho (Millions)	17,647	17,865	18,110	18,350	18,609	18,872	19,148	19,422	19,727	20,042	20,335	20,628
% Ch	*3.6%*	*5.0%*	*5.6%*	*5.4%*	*5.8%*	*5.8%*	*6.0%*	*5.9%*	*6.4%*	*6.5%*	*6.0%*	*5.9%*
National (Billions)	5,146	5,205	5,281	5,374	5,481	5,578	5,671	5,763	5,858	5,941	6,018	6,094
% Ch	*5.0%*	*4.7%*	*6.0%*	*7.2%*	*8.2%*	*7.3%*	*6.9%*	*6.6%*	*6.8%*	*5.8%*	*5.3%*	*5.2%*
FARM PROPRIETORS INCOME												
Idaho (Millions)	744	764	749	702	701	822	954	906	859	896	887	803
% Ch	*-15.6%*	*10.9%*	*-7.7%*	*-22.6%*	*-0.5%*	*88.4%*	*81.7%*	*-18.6%*	*-19.3%*	*18.4%*	*-3.7%*	*-32.9%*
National (Billions)	18	22	24	24	27	32	38	35	35	37	36	32
% Ch	*431.7%*	*123.7%*	*54.6%*	*2.3%*	*42.5%*	*104.0%*	*93.5%*	*-20.3%*	*-4.7%*	*20.4%*	*-4.2%*	*-35.8%*
NONFARM PROPRIETORS INCOME												
Idaho (Millions)	3,609	3,673	3,747	3,815	3,897	3,959	4,011	4,053	4,104	4,144	4,183	4,219
% Ch	*5.4%*	*7.2%*	*8.4%*	*7.4%*	*8.9%*	*6.5%*	*5.3%*	*4.3%*	*5.1%*	*4.0%*	*3.8%*	*3.5%*
National (Billions)	769	782	798	813	830	843	854	863	874	882	890	897
% Ch	*5.3%*	*7.2%*	*8.5%*	*7.5%*	*9.0%*	*6.5%*	*5.2%*	*4.2%*	*5.0%*	*3.9%*	*3.6%*	*3.4%*
DIVIDENDS, RENT & INTEREST												
Idaho (Millions)	6,369	6,380	6,447	6,512	6,630	6,786	6,919	7,067	7,188	7,340	7,452	7,613
% Ch	*3.5%*	*0.7%*	*4.2%*	*4.1%*	*7.4%*	*9.7%*	*8.1%*	*8.8%*	*7.1%*	*8.7%*	*6.2%*	*8.9%*
National (Billions)	1,674	1,682	1,699	1,719	1,747	1,785	1,817	1,851	1,885	1,926	1,956	2,000
% Ch	*3.8%*	*1.9%*	*4.2%*	*4.8%*	*6.7%*	*9.0%*	*7.3%*	*7.8%*	*7.4%*	*9.0%*	*6.5%*	*9.3%*
OTHER LABOR INCOME												
Idaho (Millions)	2,283	2,331	2,376	2,413	2,434	2,451	2,471	2,488	2,508	2,538	2,563	2,590
% Ch	*9.8%*	*8.7%*	*7.9%*	*6.4%*	*3.5%*	*2.9%*	*3.2%*	*2.9%*	*3.2%*	*4.8%*	*4.0%*	*4.4%*
National (Billions)	645	656	666	676	682	686	692	696	704	712	719	727
% Ch	*9.8%*	*7.0%*	*6.4%*	*5.9%*	*3.6%*	*2.8%*	*3.2%*	*2.8%*	*4.3%*	*4.7%*	*4.0%*	*4.3%*
GOVT. TRANSFERS TO INDIV.												
Idaho (Millions)	5,058	5,101	5,130	5,150	5,224	5,268	5,311	5,346	5,427	5,469	5,523	5,578
% Ch	*7.9%*	*3.4%*	*2.3%*	*1.6%*	*5.9%*	*3.4%*	*3.3%*	*2.7%*	*6.1%*	*3.1%*	*4.0%*	*4.1%*
National (Billions)	1,336	1,346	1,353	1,358	1,378	1,390	1,402	1,411	1,433	1,444	1,458	1,473
% Ch	*8.0%*	*3.2%*	*2.2%*	*1.4%*	*6.1%*	*3.5%*	*3.4%*	*2.7%*	*6.4%*	*3.1%*	*4.0%*	*4.0%*
CONTRIB. FOR SOCIAL INSUR.												
Idaho (Millions)	1,418	1,436	1,456	1,478	1,500	1,522	1,544	1,567	1,592	1,618	1,642	1,666
% Ch	*5.9%*	*5.3%*	*5.8%*	*6.1%*	*5.9%*	*6.0%*	*6.1%*	*6.0%*	*6.5%*	*6.7%*	*6.1%*	*6.0%*
National (Billions)	396	401	406	414	422	429	436	442	449	455	461	467
% Ch	*6.7%*	*4.4%*	*5.7%*	*7.4%*	*7.9%*	*7.0%*	*6.6%*	*6.3%*	*6.5%*	*5.5%*	*5.0%*	*4.9%*
RESIDENCE ADJUSTMENT												
Idaho (Millions)	493	499	506	513	520	528	536	544	553	562	570	579
% Ch	*3.8%*	*5.2%*	*5.8%*	*5.6%*	*6.0%*	*6.0%*	*6.2%*	*6.0%*	*6.6%*	*6.7%*	*6.2%*	*6.1%*

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EMPLOYMENT

	2000				2001				2002			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
TOTAL NONFARM EMPLOYMENT												
Idaho	551,780	558,162	562,177	564,869	569,213	569,350	568,551	566,075	564,489	567,260	566,933	567,430
% Ch	*3.9%*	*4.7%*	*2.9%*	*1.9%*	*3.1%*	*0.1%*	*-0.6%*	*-1.7%*	*-1.1%*	*2.0%*	*-0.2%*	*0.4%*
National (Thousands)	130,995	131,819	131,876	132,185	132,433	132,193	131,943	131,130	130,759	130,706	130,868	130,935
% Ch	*2.7%*	*2.5%*	*0.2%*	*0.9%*	*0.8%*	*-0.7%*	*-0.8%*	*-2.4%*	*-1.1%*	*-0.2%*	*0.5%*	*0.2%*
GOODS PRODUCING SECTOR												
Idaho	115,652	115,970	115,862	116,780	117,768	115,930	114,220	110,432	108,181	108,365	107,041	106,323
% Ch	*2.6%*	*1.1%*	*-0.4%*	*3.2%*	*3.4%*	*-6.1%*	*-5.8%*	*-12.6%*	*-7.9%*	*0.7%*	*-4.8%*	*-2.7%*
National (Thousands)	25,701	25,690	25,681	25,626	25,493	25,136	24,786	24,375	24,049	23,879	23,794	23,659
% Ch	*2.0%*	*-0.2%*	*-0.1%*	*-0.8%*	*-2.1%*	*-5.5%*	*-5.5%*	*-6.5%*	*-5.2%*	*-2.8%*	*-1.4%*	*-2.3%*
MANUFACTURING												
Idaho	76,683	77,157	77,070	77,856	77,722	76,080	74,783	72,538	70,977	70,826	69,810	69,273
% Ch	*1.4%*	*2.5%*	*-0.4%*	*4.1%*	*-0.7%*	*-8.2%*	*-6.6%*	*-11.5%*	*-8.3%*	*-0.9%*	*-5.6%*	*-3.0%*
National (Thousands)	18,502	18,510	18,494	18,400	18,196	17,872	17,538	17,174	16,883	16,776	16,694	16,566
% Ch	*0.0%*	*0.2%*	*-0.3%*	*-2.0%*	*-4.4%*	*-6.9%*	*-7.3%*	*-8.0%*	*-6.6%*	*-2.5%*	*-1.9%*	*-3.0%*
DURABLE MANUFACTURING												
Idaho	47,641	47,935	47,828	48,357	48,335	46,825	45,818	44,115	43,216	43,117	42,242	41,948
% Ch	*0.9%*	*2.5%*	*-0.9%*	*4.5%*	*-0.2%*	*-11.9%*	*-8.3%*	*-14.1%*	*-7.9%*	*-0.9%*	*-7.9%*	*-2.8%*
National (Thousands)	11,121	11,146	11,174	11,131	10,998	10,773	10,522	10,249	10,023	9,961	9,884	9,778
% Ch	*0.8%*	*0.9%*	*1.0%*	*-1.5%*	*-4.7%*	*-7.9%*	*-9.0%*	*-10.0%*	*-8.5%*	*-2.5%*	*-3.1%*	*-4.2%*
LUMBER & WOOD PRODUCTS												
Idaho	13,144	13,073	12,322	11,971	11,838	11,467	11,441	11,213	11,247	11,107	11,045	10,960
% Ch	*-5.5%*	*-2.1%*	*-21.1%*	*-10.9%*	*-4.4%*	*-12.0%*	*-0.9%*	*-7.7%*	*1.2%*	*-4.9%*	*-2.2%*	*-3.0%*
National (Thousands)	842	837	829	814	797	789	784	773	770	768	766	763
% Ch	*0.6%*	*-2.4%*	*-3.9%*	*-6.9%*	*-7.9%*	*-4.0%*	*-2.5%*	*-5.7%*	*-1.4%*	*-1.2%*	*-0.9%*	*-1.9%*
STONE, CLAY, GLASS, etc.												
Idaho	4,528	4,451	4,480	4,478	4,531	4,511	4,499	4,326	4,090	3,814	3,810	3,779
% Ch	*-1.5%*	*-6.6%*	*2.6%*	*-0.2%*	*4.8%*	*-1.8%*	*-1.1%*	*-14.5%*	*-20.1%*	*-24.3%*	*-0.4%*	*-3.2%*
National (Thousands)	2,109	2,121	2,125	2,120	2,102	2,068	2,039	2,004	1,977	1,977	1,977	1,975
% Ch	*2.2%*	*2.2%*	*0.9%*	*-1.1%*	*-3.4%*	*-6.3%*	*-5.4%*	*-6.6%*	*-5.4%*	*0.0%*	*0.1%*	*-0.3%*
ELEC & NONELEC MACH												
Idaho	23,754	24,125	24,938	25,868	26,036	25,013	24,016	22,812	22,249	21,988	21,801	21,719
% Ch	*4.2%*	*6.4%*	*14.2%*	*15.8%*	*2.6%*	*-14.8%*	*-15.0%*	*-18.6%*	*-9.5%*	*-4.6%*	*-3.4%*	*-1.5%*
National (Thousands)	3,802	3,824	3,884	3,881	3,848	3,720	3,566	3,431	3,317	3,271	3,221	3,157
% Ch	*0.7%*	*2.3%*	*6.4%*	*-0.3%*	*-3.3%*	*-12.7%*	*-15.5%*	*-14.3%*	*-12.6%*	*-5.4%*	*-5.9%*	*-7.8%*
OTHER DURABLES												
Idaho	6,215	6,285	6,088	6,040	5,931	5,834	5,863	5,765	5,630	5,627	5,586	5,489
% Ch	*4.3%*	*4.6%*	*-12.0%*	*-3.1%*	*-7.0%*	*-6.4%*	*2.0%*	*-6.5%*	*-9.0%*	*-0.2%*	*-2.9%*	*-6.8%*
National (Thousands)	4,368	4,364	4,336	4,317	4,251	4,196	4,133	4,041	3,959	3,945	3,919	3,883
% Ch	0.2%	-0.3%	-2.6%	-1.7%	-6.0%	-5.0%	-5.9%	-8.6%	-7.8%	-1.4%	-2.6%	-3.6%

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EMPLOYMENT

	2003				2004				2005			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
TOTAL NONFARM EMPLOYMENT												
Idaho	568,002	569,904	572,538	575,156	577,709	580,209	583,397	586,771	590,198	593,916	597,692	601,579
% Ch	*0.4%*	*1.3%*	*1.9%*	*1.8%*	*1.8%*	*1.7%*	*2.2%*	*2.3%*	*2.4%*	*2.5%*	*2.6%*	*2.6%*
National (Thousands)	131,146	131,489	131,911	132,909	133,910	134,751	135,561	136,323	136,976	137,515	138,009	138,490
% Ch	*0.6%*	*1.0%*	*1.3%*	*3.1%*	*3.0%*	*2.5%*	*2.4%*	*2.3%*	*1.9%*	*1.6%*	*1.4%*	*1.4%*
GOODS PRODUCING SECTOR												
Idaho	105,683	105,923	106,438	107,062	107,603	107,754	108,116	108,575	109,178	109,908	110,826	112,008
% Ch	*-2.4%*	*0.9%*	*2.0%*	*2.4%*	*2.0%*	*0.6%*	*1.4%*	*1.7%*	*2.2%*	*2.7%*	*3.4%*	*4.3%*
National (Thousands)	23,547	23,440	23,377	23,405	23,486	23,564	23,683	23,790	23,897	23,980	24,056	24,119
% Ch	*-1.9%*	*-1.8%*	*-1.1%*	*0.5%*	*1.4%*	*1.3%*	*2.0%*	*1.8%*	*1.8%*	*1.4%*	*1.3%*	*1.0%*
MANUFACTURING												
Idaho	68,794	68,841	69,119	69,517	70,085	70,701	71,280	71,907	72,517	73,079	73,627	74,221
% Ch	*-2.7%*	*0.3%*	*1.6%*	*2.3%*	*3.3%*	*3.6%*	*3.3%*	*3.6%*	*3.4%*	*3.1%*	*3.0%*	*3.3%*
National (Thousands)	16,464	16,359	16,271	16,265	16,268	16,305	16,363	16,423	16,440	16,472	16,497	16,498
% Ch	*-2.4%*	*-2.5%*	*-2.1%*	*-0.1%*	*0.1%*	*0.9%*	*1.4%*	*1.5%*	*0.4%*	*0.8%*	*0.6%*	*0.0%*
DURABLE MANUFACTURING												
Idaho	41,436	41,414	41,539	41,801	42,197	42,625	43,018	43,459	43,898	44,297	44,698	45,155
% Ch	*-4.8%*	*-0.2%*	*1.2%*	*2.5%*	*3.8%*	*4.1%*	*3.7%*	*4.2%*	*4.1%*	*3.7%*	*3.7%*	*4.2%*
National (Thousands)	9,688	9,592	9,516	9,508	9,504	9,522	9,556	9,595	9,611	9,640	9,663	9,672
% Ch	*-3.6%*	*-3.9%*	*-3.1%*	*-0.3%*	*-0.2%*	*0.8%*	*1.4%*	*1.7%*	*0.7%*	*1.2%*	*1.0%*	*0.4%*
LUMBER & WOOD PRODUCTS												
Idaho	10,645	10,333	10,052	9,848	9,742	9,649	9,546	9,473	9,405	9,301	9,193	9,114
% Ch	*-11.0%*	*-11.2%*	*-10.4%*	*-7.9%*	*-4.3%*	*-3.7%*	*-4.2%*	*-3.0%*	*-2.8%*	*-4.4%*	*-4.6%*	*-3.4%*
National (Thousands)	760	752	742	740	742	747	755	762	765	767	771	774
% Ch	*-1.2%*	*-4.5%*	*-4.8%*	*-1.2%*	*0.8%*	*3.1%*	*4.2%*	*3.6%*	*1.5%*	*1.5%*	*1.6%*	*1.8%*
STONE, CLAY, GLASS, etc.												
Idaho	3,716	3,664	3,647	3,651	3,660	3,663	3,641	3,632	3,618	3,612	3,612	3,621
% Ch	*-6.6%*	*-5.4%*	*-1.9%*	*0.5%*	*1.0%*	*0.3%*	*-2.4%*	*-1.0%*	*-1.6%*	*-0.7%*	*0.0%*	*1.1%*
National (Thousands)	1,966	1,960	1,961	1,971	1,979	1,990	2,001	2,011	2,010	2,010	2,011	2,009
% Ch	*-1.9%*	*-1.2%*	*0.2%*	*2.0%*	*1.7%*	*2.2%*	*2.2%*	*2.1%*	*-0.1%*	*-0.1%*	*0.1%*	*-0.3%*
ELEC & NONELEC MACH												
Idaho	21,659	21,986	22,362	22,771	23,205	23,644	24,092	24,553	25,026	25,504	25,987	26,485
% Ch	*-1.1%*	*6.2%*	*7.0%*	*7.5%*	*7.8%*	*7.8%*	*7.8%*	*7.9%*	*7.9%*	*7.9%*	*7.8%*	*7.9%*
National (Thousands)	3,093	3,011	2,946	2,917	2,896	2,877	2,869	2,868	2,869	2,882	2,893	2,903
% Ch	*-7.8%*	*-10.2%*	*-8.3%*	*-3.9%*	*-2.8%*	*-2.6%*	*-1.2%*	*-0.1%*	*0.1%*	*1.8%*	*1.5%*	*1.5%*
OTHER DURABLES												
Idaho	5,416	5,431	5,477	5,530	5,591	5,669	5,739	5,801	5,848	5,881	5,906	5,934
% Ch	*-5.2%*	*1.1%*	*3.4%*	*3.9%*	*4.4%*	*5.7%*	*5.0%*	*4.4%*	*3.3%*	*2.3%*	*1.7%*	*1.9%*
National (Thousands)	3,868	3,869	3,867	3,880	3,887	3,908	3,931	3,954	3,967	3,980	3,989	3,986
% Ch	-1.5%	0.1%	-0.3%	1.4%	0.7%	2.2%	2.4%	2.4%	1.3%	1.3%	0.9%	-0.3%

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IDAHO ECONOMIC FORECAST

QUARTERLY DETAIL
JANUARY 2003

EMPLOYMENT

	2000				2001				2002			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
MANUFACTURING (continued)												
NONDURABLE MANUFACTURING												
Idaho	29,043	29,222	29,243	29,499	29,387	29,255	28,966	28,423	27,762	27,709	27,568	27,325
% Ch	*2.3%*	*2.5%*	*0.3%*	*3.6%*	*-1.5%*	*-1.8%*	*-3.9%*	*-7.3%*	*-9.0%*	*-0.8%*	*-2.0%*	*-3.5%*
National (Thousands)	7,381	7,364	7,321	7,269	7,198	7,099	7,015	6,925	6,860	6,815	6,810	6,788
% Ch	*-1.2%*	*-0.9%*	*-2.3%*	*-2.8%*	*-3.8%*	*-5.4%*	*-4.6%*	*-5.0%*	*-3.7%*	*-2.6%*	*-0.3%*	*-1.3%*
FOOD PROCESSING												
Idaho	17,172	17,272	17,280	17,283	17,384	17,442	17,419	17,121	16,922	16,866	16,959	16,688
% Ch	*0.2%*	*2.4%*	*0.2%*	*0.1%*	*2.3%*	*1.3%*	*-0.5%*	*-6.7%*	*-4.6%*	*-1.3%*	*2.2%*	*-6.2%*
National (Thousands)	*1,690*	*1,690*	*1,685*	*1,686*	*1,694*	*1,691*	*1,688*	*1,688*	*1,686*	*1,689*	*1,688*	*1,704*
% Ch	*-0.3%*	*0.0%*	*-1.3%*	*0.2%*	*2.0%*	*-0.6%*	*-0.8%*	*0.1%*	*-0.6%*	*0.8%*	*-0.2%*	*3.8%*
CANNED, CURED, & FROZEN												
Idaho	9,756	9,796	9,825	9,695	9,599	9,599	9,592	9,477	9,346	9,198	9,293	9,004
% Ch	*-1.9%*	*1.7%*	*1.2%*	*-5.2%*	*-3.9%*	*0.0%*	*-0.3%*	*-4.7%*	*-5.4%*	*-6.2%*	*4.2%*	*-11.9%*
OTHER FOOD PROCESSING												
Idaho	7,416	7,476	7,455	7,588	7,785	7,842	7,826	7,644	7,577	7,669	7,666	7,684
% Ch	*3.0%*	*3.3%*	*-1.1%*	*7.3%*	*10.8%*	*3.0%*	*-0.8%*	*-9.0%*	*-3.5%*	*4.9%*	*-0.1%*	*0.9%*
PAPER, PRINTING, PUBLISH.												
Idaho	7,534	7,656	7,632	7,725	7,561	7,400	7,301	7,127	7,031	6,935	6,861	6,861
% Ch	*6.0%*	*6.6%*	*-1.2%*	*4.9%*	*-8.2%*	*-8.3%*	*-5.2%*	*-9.2%*	*-5.2%*	*-5.4%*	*-4.2%*	*0.0%*
National (Thousands)	2,208	2,208	2,206	2,194	2,173	2,140	2,109	2,079	2,049	2,021	2,016	2,008
% Ch	*-0.8%*	*0.0%*	*-0.4%*	*-2.1%*	*-3.8%*	*-5.9%*	*-5.7%*	*-5.6%*	*-5.6%*	*-5.3%*	*-1.0%*	*-1.6%*
CHEMICALS												
Idaho	2,318	2,298	2,318	2,394	2,368	2,376	2,299	2,251	1,953	1,920	1,846	1,851
% Ch	*10.2%*	*-3.4%*	*3.5%*	*13.9%*	*-4.3%*	*1.3%*	*-12.3%*	*-8.1%*	*-43.3%*	*-6.6%*	*-14.6%*	*1.1%*
National (Thousands)	1,038	1,036	1,031	1,030	1,028	1,023	1,022	1,015	1,010	1,007	1,008	1,002
% Ch	*1.0%*	*-0.6%*	*-2.2%*	*-0.1%*	*-1.0%*	*-1.9%*	*-0.4%*	*-2.6%*	*-2.1%*	*-0.9%*	*0.4%*	*-2.4%*
OTHER NONDURABLES												
Idaho	2,019	1,997	2,012	2,097	2,074	2,037	1,947	1,924	1,855	1,988	1,903	1,925
% Ch	*-1.8%*	*-4.4%*	*3.2%*	*17.9%*	*-4.3%*	*-6.9%*	*-16.6%*	*-4.6%*	*-13.7%*	*31.9%*	*-16.1%*	*4.9%*
National (Thousands)	2,445	2,430	2,400	2,359	2,303	2,244	2,196	2,143	2,116	2,097	2,098	2,074
% Ch	*-3.0%*	*-2.5%*	*-4.8%*	*-6.7%*	*-9.1%*	*-9.9%*	*-8.3%*	*-9.4%*	*-5.0%*	*-3.4%*	*0.1%*	*-4.5%*
MINING												
Idaho	2,478	2,452	2,415	2,354	2,235	2,127	1,955	1,832	1,870	1,789	1,794	1,716
%Ch	*-7.5%*	*-4.1%*	*-6.0%*	*-9.6%*	*-18.7%*	*-18.0%*	*-28.6%*	*-23.0%*	*8.5%*	*-16.2%*	*1.2%*	*-16.2%*
National (Thousands)	534	542	545	551	556	565	571	566	564	559	553	555
%Ch	*0.8%*	*5.9%*	*2.5%*	*4.7%*	*3.7%*	*6.6%*	*3.8%*	*-3.5%*	*-1.2%*	*-3.5%*	*-4.5%*	*1.9%*
METAL MINING												
Idaho	1,320	1,259	1,191	1,122	1,014	891	746	644	624	600	560	544
%Ch	*-10.8%*	*-17.4%*	*-19.9%*	*-21.3%*	*-33.3%*	*-40.4%*	*-50.7%*	*-44.5%*	*-12.1%*	*-14.2%*	*-24.4%*	*-11.0%*
OTHER MINING												
Idaho	1,158	1,193	1,223	1,232	1,222	1,236	1,209	1,188	1,246	1,188	1,234	1,172
% Ch	*-3.6%*	*13.0%*	*10.4%*	*2.9%*	*-3.4%*	*4.9%*	*-8.6%*	*-6.9%*	*21.2%*	*-17.3%*	*16.3%*	*-18.5%*

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IDAHO ECONOMIC FORECAST

QUARTERLY DETAIL
JANUARY 2003

EMPLOYMENT

	2003				2004				2005			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
MANUFACTURING (continued)												
NONDURABLE MANUFACTURING												
Idaho	27,359	27,427	27,580	27,716	27,888	28,075	28,261	28,448	28,619	28,781	28,929	29,066
% Ch	*0.5%*	*1.0%*	*2.3%*	*2.0%*	*2.5%*	*2.7%*	*2.7%*	*2.7%*	*2.4%*	*2.3%*	*2.1%*	*1.9%*
National (Thousands)	6,776	6,767	6,755	6,757	6,764	6,782	6,807	6,828	6,828	6,832	6,834	6,826
% Ch	*-0.7%*	*-0.5%*	*-0.7%*	*0.1%*	*0.4%*	*1.1%*	*1.5%*	*1.2%*	*0.0%*	*0.2%*	*0.1%*	*-0.5%*
FOOD PROCESSING												
Idaho	16,654	16,637	16,713	16,782	16,853	16,921	16,984	17,048	17,097	17,141	17,180	17,212
% Ch	*-0.8%*	*-0.4%*	*1.8%*	*1.7%*	*1.7%*	*1.6%*	*1.5%*	*1.5%*	*1.2%*	*1.0%*	*0.9%*	*0.7%*
National (Thousands)	*1,712*	*1,718*	*1,723*	*1,728*	*1,731*	*1,742*	*1,755*	*1,763*	*1,766*	*1,771*	*1,771*	*1,764*
% Ch	*1.9%*	*1.5%*	*1.0%*	*1.3%*	*0.6%*	*2.5%*	*3.1%*	*1.8%*	*0.6%*	*1.3%*	*0.0%*	*-1.6%*
CANNED, CURED, & FROZEN												
Idaho	8,948	8,892	8,923	8,954	8,983	9,011	9,039	9,064	9,087	9,108	9,129	9,149
% Ch	*-2.4%*	*-2.5%*	*1.4%*	*1.4%*	*1.3%*	*1.3%*	*1.2%*	*1.1%*	*1.0%*	*1.0%*	*0.9%*	*0.9%*
OTHER FOOD PROCESSING												
Idaho	7,706	7,746	7,790	7,829	7,870	7,909	7,945	7,983	8,010	8,033	8,051	8,062
% Ch	*1.1%*	*2.1%*	*2.3%*	*2.0%*	*2.1%*	*2.0%*	*1.8%*	*1.9%*	*1.4%*	*1.1%*	*0.9%*	*0.6%*
PAPER, PRINTING, PUBLISH.												
Idaho	6,898	6,982	7,057	7,113	7,195	7,292	7,395	7,498	7,596	7,688	7,776	7,860
% Ch	*2.2%*	*4.9%*	*4.4%*	*3.2%*	*4.7%*	*5.5%*	*5.8%*	*5.7%*	*5.3%*	*5.0%*	*4.6%*	*4.4%*
National (Thousands)	2,002	2,002	2,004	2,015	2,025	2,038	2,051	2,066	2,075	2,084	2,094	2,101
% Ch	*-1.3%*	*-0.1%*	*0.5%*	*2.2%*	*2.0%*	*2.5%*	*2.7%*	*3.0%*	*1.6%*	*1.8%*	*1.9%*	*1.5%*
CHEMICALS												
Idaho	1,860	1,844	1,827	1,816	1,812	1,808	1,804	1,800	1,798	1,798	1,796	1,793
% Ch	*2.1%*	*-3.5%*	*-3.6%*	*-2.3%*	*-0.9%*	*-0.8%*	*-0.9%*	*-0.9%*	*-0.4%*	*-0.1%*	*-0.4%*	*-0.6%*
National (Thousands)	987	977	966	959	951	944	941	939	932	927	925	922
% Ch	*-5.9%*	*-4.1%*	*-4.4%*	*-2.7%*	*-3.4%*	*-2.8%*	*-1.3%*	*-1.1%*	*-2.8%*	*-2.3%*	*-0.8%*	*-1.4%*
OTHER NONDURABLES												
Idaho	1,946	1,964	1,983	2,004	2,028	2,055	2,079	2,103	2,128	2,155	2,177	2,202
% Ch	*4.3%*	*3.8%*	*3.9%*	*4.3%*	*4.9%*	*5.4%*	*4.6%*	*4.7%*	*4.9%*	*5.0%*	*4.3%*	*4.5%*
National (Thousands)	2,075	2,070	2,062	2,055	2,057	2,059	2,060	2,060	2,056	2,050	2,044	2,038
% Ch	*0.3%*	*-1.0%*	*-1.5%*	*-1.4%*	*0.5%*	*0.3%*	*0.2%*	*0.0%*	*-0.7%*	*-1.1%*	*-1.2%*	*-1.1%*
MINING												
Idaho	1,792	1,809	1,808	1,799	1,866	1,939	1,971	1,961	1,938	1,846	1,737	1,660
%Ch	*18.9%*	*3.8%*	*-0.2%*	*-2.0%*	*16.0%*	*16.5%*	*6.6%*	*-1.9%*	*-4.7%*	*-17.7%*	*-21.5%*	*-16.7%*
National (Thousands)	568	572	570	566	563	562	558	553	547	541	535	529
%Ch	*9.9%*	*2.7%*	*-1.4%*	*-2.8%*	*-2.4%*	*-0.6%*	*-3.0%*	*-3.2%*	*-4.5%*	*-4.4%*	*-4.1%*	*-4.3%*
METAL MINING												
Idaho	613	635	649	652	702	757	780	771	755	688	609	563
%Ch	*61.3%*	*15.4%*	*9.0%*	*1.8%*	*34.7%*	*34.8%*	*12.9%*	*-4.3%*	*-8.3%*	*-30.9%*	*-38.5%*	*-27.3%*
OTHER MINING												
Idaho	1,179	1,174	1,159	1,147	1,164	1,183	1,191	1,190	1,183	1,158	1,128	1,097
% Ch	*2.3%*	*-1.8%*	*-4.9%*	*-4.1%*	*6.2%*	*6.5%*	*2.8%*	*-0.3%*	*-2.3%*	*-8.3%*	*-9.9%*	*-10.5%*

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QUARTERLY DETAIL

JANUARY 2003

EMPLOYMENT

	2000				2001				2002			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
GOODS PRODUCING (continued)												
CONSTRUCTION												
Idaho	36,491	36,360	36,377	36,570	37,810	37,722	37,481	36,062	35,334	35,750	35,436	35,333
% Ch	*6.1%*	*-1.4%*	*0.2%*	*2.1%*	*14.3%*	*-0.9%*	*-2.5%*	*-14.3%*	*-7.8%*	*4.8%*	*-3.5%*	*-1.2%*
National (Thousands)	6,665	6,639	6,641	6,675	6,740	6,699	6,678	6,635	6,602	6,544	6,547	6,538
% Ch	*7.7%*	*-1.6%*	*0.2%*	*2.0%*	*4.0%*	*-2.4%*	*-1.3%*	*-2.5%*	*-2.0%*	*-3.5%*	*0.2%*	*-0.6%*
SERVICE PRODUCING SECTOR												
Idaho	436,128	442,192	446,315	448,089	451,444	453,421	454,331	455,643	456,308	458,895	459,893	461,107
% Ch	*4.2%*	*5.7%*	*3.8%*	*1.6%*	*3.0%*	*1.8%*	*0.8%*	*1.2%*	*0.6%*	*2.3%*	*0.9%*	*1.1%*
National (Thousands)	105,293	106,129	106,195	106,559	106,941	107,057	107,157	106,755	106,711	106,827	107,073	107,276
% Ch	*2.9%*	*3.2%*	*0.2%*	*1.4%*	*1.4%*	*0.4%*	*0.4%*	*-1.5%*	*-0.2%*	*0.4%*	*0.9%*	*0.8%*
FINANCE, INSUR, REAL ESTATE												
Idaho	23,623	23,536	23,402	23,453	23,667	24,024	24,305	24,353	24,330	24,356	24,439	24,470
% Ch	*2.7%*	*-1.5%*	*-2.3%*	*0.9%*	*3.7%*	*6.2%*	*4.8%*	*0.8%*	*-0.4%*	*0.4%*	*1.4%*	*0.5%*
National (Thousands)	7,570	7,554	7,569	7,620	7,664	7,712	7,728	7,747	7,744	7,736	7,750	7,795
% Ch	*-0.2%*	*-0.9%*	*0.8%*	*2.8%*	*2.3%*	*2.5%*	*0.9%*	*1.0%*	*-0.2%*	*-0.4%*	*0.7%*	*2.3%*
TRANS, COMMUN, PUBLIC UTIL												
Idaho	27,744	27,974	28,179	27,883	28,312	28,235	28,086	27,917	27,799	27,765	27,801	27,963
% Ch	*3.3%*	*3.4%*	*3.0%*	*-4.1%*	*6.3%*	*-1.1%*	*-2.1%*	*-2.4%*	*-1.7%*	*-0.5%*	*0.5%*	*2.3%*
National (Thousands)	6,965	7,008	7,042	7,114	7,145	7,130	7,081	6,912	6,834	6,794	6,758	6,717
% Ch	*2.9%*	*2.5%*	*1.9%*	*4.2%*	*1.8%*	*-0.9%*	*-2.7%*	*-9.2%*	*-4.5%*	*-2.3%*	*-2.1%*	*-2.4%*
TRADE												
Idaho	139,131	140,236	142,490	142,464	142,098	141,805	140,212	139,782	140,177	140,511	141,000	141,372
% Ch	*2.7%*	*3.2%*	*6.6%*	*-0.1%*	*-1.0%*	*-0.8%*	*-4.4%*	*-1.2%*	*1.1%*	*1.0%*	*1.4%*	*1.1%*
National (Thousands)	30,192	30,268	30,307	30,349	30,387	30,362	30,307	30,120	30,044	30,007	29,979	29,984
% Ch	*2.3%*	*1.0%*	*0.5%*	*0.5%*	*0.5%*	*-0.3%*	*-0.7%*	*-2.4%*	*-1.0%*	*-0.5%*	*-0.4%*	*0.1%*
SERVICES												
Idaho	141,110	144,018	146,236	148,571	148,538	149,968	151,227	151,622	152,281	154,831	155,369	156,174
% Ch	*7.6%*	*8.5%*	*6.3%*	*6.5%*	*-0.1%*	*3.9%*	*3.4%*	*1.0%*	*1.8%*	*6.9%*	*1.4%*	*2.1%*
National (Thousands)	40,032	40,340	40,621	40,842	40,998	40,993	41,037	40,880	40,924	41,090	41,316	41,471
% Ch	*3.7%*	*3.1%*	*2.8%*	*2.2%*	*1.5%*	*0.0%*	*0.4%*	*-1.5%*	*0.4%*	*1.6%*	*2.2%*	*1.5%*
STATE & LOCAL GOVERNMENT												
Idaho	91,195	92,110	92,863	92,780	95,753	96,309	97,047	98,447	98,545	98,294	98,129	98,023
% Ch	*1.6%*	*4.1%*	*3.3%*	*-0.4%*	*13.4%*	*2.3%*	*3.1%*	*5.9%*	*0.4%*	*-1.0%*	*-0.7%*	*-0.4%*
National (Thousands)	17,807	17,884	17,960	18,015	18,129	18,246	18,381	18,478	18,556	18,597	18,657	18,674
% Ch	*2.1%*	*1.7%*	*1.7%*	*1.2%*	*2.6%*	*2.6%*	*3.0%*	*2.1%*	*1.7%*	*0.9%*	*1.3%*	*0.4%*
Idaho Education	50,137	50,553	50,951	50,714	51,168	51,359	51,581	52,501	52,158	52,157	52,193	52,185
% Ch	*3.9%*	*3.4%*	*3.2%*	*-1.8%*	*3.6%*	*1.5%*	*1.7%*	*7.3%*	*-2.6%*	*0.0%*	*0.3%*	*-0.1%*
Idaho Other	41,058	41,557	41,912	42,066	44,585	44,950	45,466	45,946	46,388	46,137	45,937	45,838
% Ch	*-1.0%*	*4.9%*	*3.5%*	*1.5%*	*26.2%*	*3.3%*	*4.7%*	*4.3%*	*3.9%*	*-2.1%*	*-1.7%*	*-0.9%*
FEDERAL GOVERNMENT												
Idaho	13,325	14,318	13,145	12,938	13,076	13,082	13,456	13,523	13,176	13,138	13,154	13,106
% Ch	*6.7%*	*33.3%*	*-29.0%*	*-6.1%*	*4.3%*	*0.2%*	*11.9%*	*2.0%*	*-9.9%*	*-1.1%*	*0.5%*	*-1.5%*
National (Thousands)	2,727	3,075	2,697	2,619	2,617	2,616	2,623	2,618	2,609	2,604	2,613	2,636
% Ch	*13.0%*	*61.7%*	*-40.9%*	*-11.0%*	*-0.3%*	*-0.3%*	*1.1%*	*-0.8%*	*-1.3%*	*-0.9%*	*1.4%*	*3.6%*

National Variables Forecast by GLOBAL INSIGHT
Forecast Begins the THIRD Quarter of 2002

IDAHO ECONOMIC FORECAST

QUARTERLY DETAIL

JANUARY 2003

EMPLOYMENT

	2003				2004				2005			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
GOODS PRODUCING (continued)												
CONSTRUCTION												
Idaho	35,097	35,273	35,511	35,746	35,651	35,113	34,866	34,707	34,724	34,984	35,462	36,127
% Ch	*-2.7%*	*2.0%*	*2.7%*	*2.7%*	*-1.1%*	*-5.9%*	*-2.8%*	*-1.8%*	*0.2%*	*3.0%*	*5.6%*	*7.7%*
National (Thousands)	6,514	6,510	6,536	6,573	6,655	6,698	6,763	6,814	6,910	6,968	7,024	7,091
% Ch	*-1.4%*	*-0.3%*	*1.6%*	*2.3%*	*5.1%*	*2.6%*	*3.9%*	*3.1%*	*5.8%*	*3.4%*	*3.3%*	*3.9%*
SERVICE PRODUCING SECTOR												
Idaho	462,318	463,981	466,101	468,094	470,106	472,455	475,281	478,196	481,020	484,008	486,866	489,571
% Ch	*1.1%*	*1.4%*	*1.8%*	*1.7%*	*1.7%*	*2.0%*	*2.4%*	*2.5%*	*2.4%*	*2.5%*	*2.4%*	*2.2%*
National (Thousands)	107,599	108,048	108,534	109,504	110,424	111,186	111,877	112,533	113,080	113,535	113,953	114,371
% Ch	*1.2%*	*1.7%*	*1.8%*	*3.6%*	*3.4%*	*2.8%*	*2.5%*	*2.4%*	*2.0%*	*1.6%*	*1.5%*	*1.5%*
FINANCE, INSUR, REAL ESTATE												
Idaho	24,438	24,483	24,524	24,560	24,618	24,691	24,764	24,842	24,912	24,992	25,080	25,168
% Ch	*-0.5%*	*0.8%*	*0.7%*	*0.6%*	*0.9%*	*1.2%*	*1.2%*	*1.3%*	*1.1%*	*1.3%*	*1.4%*	*1.4%*
National (Thousands)	7,858	7,928	7,984	8,066	8,138	8,208	8,270	8,330	8,373	8,410	8,434	8,457
% Ch	*3.3%*	*3.6%*	*2.8%*	*4.2%*	*3.6%*	*3.5%*	*3.1%*	*2.9%*	*2.1%*	*1.8%*	*1.1%*	*1.1%*
TRANS, COMMUN, PUBLIC UTIL												
Idaho	28,098	28,227	28,352	28,468	28,579	28,690	28,802	28,914	29,026	29,139	29,254	29,371
% Ch	*2.0%*	*1.8%*	*1.8%*	*1.7%*	*1.6%*	*1.6%*	*1.6%*	*1.6%*	*1.6%*	*1.6%*	*1.6%*	*1.6%*
National (Thousands)	6,761	6,810	6,858	6,940	7,009	7,070	7,137	7,195	7,243	7,281	7,316	7,349
% Ch	*2.7%*	*2.9%*	*2.9%*	*4.9%*	*4.0%*	*3.5%*	*3.8%*	*3.3%*	*2.7%*	*2.1%*	*1.9%*	*1.8%*
TRADE												
Idaho	141,834	142,469	143,233	143,935	144,692	145,570	146,657	147,776	148,888	150,048	151,138	152,161
% Ch	*1.3%*	*1.8%*	*2.2%*	*2.0%*	*2.1%*	*2.4%*	*3.0%*	*3.1%*	*3.0%*	*3.2%*	*2.9%*	*2.7%*
National (Thousands)	29,978	30,039	30,062	30,259	30,354	30,471	30,575	30,670	30,678	30,712	30,724	30,734
% Ch	*-0.1%*	*0.8%*	*0.3%*	*2.6%*	*1.3%*	*1.6%*	*1.4%*	*1.3%*	*0.1%*	*0.4%*	*0.2%*	*0.1%*
SERVICES												
Idaho	156,849	157,752	158,827	159,819	160,885	162,109	163,612	165,155	166,623	168,152	169,590	170,940
% Ch	*1.7%*	*2.3%*	*2.8%*	*2.5%*	*2.7%*	*3.1%*	*3.8%*	*3.8%*	*3.6%*	*3.7%*	*3.5%*	*3.2%*
National (Thousands)	41,691	41,968	42,316	42,848	43,454	43,889	44,279	44,652	45,021	45,290	45,562	45,842
% Ch	*2.1%*	*2.7%*	*3.4%*	*5.1%*	*5.8%*	*4.1%*	*3.6%*	*3.4%*	*3.3%*	*2.4%*	*2.4%*	*2.5%*
STATE & LOCAL GOVERNMENT												
Idaho	97,950	97,867	97,974	98,115	98,151	98,235	98,311	98,392	98,475	98,596	98,738	98,889
% Ch	*-0.3%*	*-0.3%*	*0.4%*	*0.6%*	*0.1%*	*0.3%*	*0.3%*	*0.3%*	*0.3%*	*0.5%*	*0.6%*	*0.6%*
National (Thousands)	18,654	18,626	18,623	18,691	18,765	18,840	18,906	18,974	19,051	19,127	19,202	19,272
% Ch	*-0.4%*	*-0.6%*	*-0.1%*	*1.5%*	*1.6%*	*1.6%*	*1.4%*	*1.4%*	*1.6%*	*1.6%*	*1.6%*	*1.5%*
Idaho Education	52,262	52,316	52,390	52,498	52,506	52,563	52,612	52,663	52,724	52,819	52,928	53,046
% Ch	*0.6%*	*0.4%*	*0.6%*	*0.8%*	*0.1%*	*0.4%*	*0.4%*	*0.4%*	*0.5%*	*0.7%*	*0.8%*	*0.9%*
Idaho Other	45,688	45,550	45,584	45,617	45,646	45,672	45,699	45,730	45,750	45,777	45,810	45,842
% Ch	*-1.3%*	*-1.2%*	*0.3%*	*0.3%*	*0.3%*	*0.2%*	*0.2%*	*0.3%*	*0.2%*	*0.2%*	*0.3%*	*0.3%*
FEDERAL GOVERNMENT												
Idaho	13,148	13,183	13,190	13,198	13,181	13,160	13,134	13,118	13,096	13,079	13,065	13,042
% Ch	*1.3%*	*1.1%*	*0.2%*	*0.2%*	*-0.5%*	*-0.6%*	*-0.8%*	*-0.5%*	*-0.6%*	*-0.5%*	*-0.4%*	*-0.7%*
National (Thousands)	2,657	2,677	2,692	2,700	2,705	2,708	2,710	2,712	2,713	2,714	2,715	2,717
% Ch	*3.2%*	*3.0%*	*2.3%*	*1.1%*	*0.7%*	*0.5%*	*0.3%*	*0.3%*	*0.2%*	*0.2%*	*0.2%*	*0.2%*

National Variables Forecast by GLOBAL INSIGHT
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IDAHO ECONOMIC FORECAST

QUARTERLY DETAIL

JANUARY 2003

MISCELLANEOUS

	2000				2001				2002			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
FEDERAL TRANSFERS TO												
STATE & LOCAL GOVERNMENTS												
Idaho (Millions)	1,081.5	1,095.3	1,146.1	1,151.5	1,205.1	1,270.9	1,227.8	1,305.6	1,318.7	1,392.1	1,373.0	1,432.7
% Ch	*-3.2%*	*5.2%*	*19.9%*	*1.9%*	*20.0%*	*23.7%*	*-12.9%*	*27.9%*	*4.1%*	*24.2%*	*-5.4%*	*18.6%*
National (Billions)	239.4	242.2	253.8	254.6	266.8	281.9	271.4	289.4	292.3	309.6	305.0	319.2
% Ch	*-4.2%*	*4.8%*	*20.6%*	*1.3%*	*20.6%*	*24.6%*	*-14.1%*	*29.3%*	*4.1%*	*25.9%*	*-5.8%*	*19.9%*
SELECTED CHAIN-WEIGHTED DEFL.												
Gross Domestic Product	106.1	106.7	107.1	107.7	108.7	109.3	109.9	109.8	110.1	110.5	110.8	111.4
% Ch	*3.1%*	*2.3%*	*1.6%*	*2.1%*	*3.7%*	*2.5%*	*2.2%*	*-0.5%*	*1.3%*	*1.2%*	*1.0%*	*2.4%*
Consumption Expenditures	106.5	107.1	107.7	108.3	109.2	109.6	109.6	109.8	110.1	110.9	111.4	112.0
% Ch	*3.4%*	*2.3%*	*2.1%*	*2.2%*	*3.3%*	*1.8%*	*-0.1%*	*0.8%*	*1.1%*	*2.7%*	*1.7%*	*2.1%*
Durable Goods	91.9	91.7	91.2	91.0	90.7	89.9	89.3	88.9	88.0	87.4	86.9	86.6
% Ch	*-2.0%*	*-0.8%*	*-2.2%*	*-1.2%*	*-1.2%*	*-3.4%*	*-2.7%*	*-1.5%*	*-4.2%*	*-2.9%*	*-1.9%*	*-1.4%*
Nondurable Goods	106.5	107.3	108.0	108.5	109.0	109.8	109.4	108.5	108.5	109.8	109.9	110.4
% Ch	*5.3%*	*3.0%*	*2.8%*	*1.8%*	*1.8%*	*2.9%*	*-1.4%*	*-3.5%*	*0.2%*	*4.6%*	*0.6%*	*1.7%*
Services	109.8	110.5	111.2	112.0	113.4	114.1	114.4	115.4	116.1	117.0	117.9	118.8
% Ch	*3.6%*	*2.5%*	*2.6%*	*3.2%*	*5.1%*	*2.3%*	*1.1%*	*3.5%*	*2.7%*	*3.0%*	*3.1%*	*3.0%*
Cons. Price Index (1982-84)	170.1	171.5	173.0	174.2	175.9	177.3	177.6	177.5	178.1	179.6	180.4	181.6
% Ch	*3.9%*	*3.3%*	*3.5%*	*3.0%*	*3.9%*	*3.1%*	*0.8%*	*-0.3%*	*1.4%*	*3.4%*	*1.9%*	*2.7%*
SELECTED INTEREST RATES												
Federal Funds	5.68%	6.27%	6.52%	6.47%	5.59%	4.33%	3.50%	2.13%	1.73%	1.75%	1.74%	1.45%
Prime	8.69%	9.25%	9.50%	9.50%	8.62%	7.34%	6.57%	5.16%	4.75%	4.75%	4.75%	4.45%
Existing Home Mortgage	8.02%	8.19%	8.10%	7.81%	7.21%	7.15%	7.06%	6.71%	6.86%	6.82%	6.41%	5.99%
U.S. Govt. 3-Month Bills	5.50%	5.72%	6.00%	6.03%	4.86%	3.67%	3.25%	1.93%	1.72%	1.72%	1.65%	1.35%
SELECTED US PRODUCTION INDICES												
Lumber & Wood Products	111.5	108.8	106.7	103.4	99.8	102.5	104.6	102.1	101.7	101.7	102.7	101.6
% Ch	*2.2%*	*-9.2%*	*-7.7%*	*-11.9%*	*-13.0%*	*11.3%*	*8.4%*	*-9.4%*	*-1.6%*	*0.2%*	*3.8%*	*-4.2%*
Office & Computer Equip.	306.8	334.0	360.6	373.6	369.9	353.8	340.0	343.0	370.5	375.0	385.3	404.5
% Ch	*43.9%*	*40.4%*	*35.9%*	*15.2%*	*-3.9%*	*-16.3%*	*-14.7%*	*3.6%*	*36.1%*	*4.9%*	*11.5%*	*21.4%*
Electrical Machinery	236.6	258.9	270.2	274.7	263.8	246.8	235.3	235.4	242.0	250.1	252.2	256.0
% Ch	*44.8%*	*43.3%*	*18.7%*	*6.8%*	*-15.0%*	*-23.3%*	*-17.5%*	*0.3%*	*11.7%*	*14.1%*	*3.3%*	*6.3%*
Electronic Components	432.1	500.0	532.3	545.9	523.7	480.1	450.4	466.7	505.7	543.6	566.4	596.9
% Ch	*84.7%*	*79.2%*	*28.5%*	*10.7%*	*-15.3%*	*-29.4%*	*-22.6%*	*15.3%*	*37.9%*	*33.5%*	*17.8%*	*23.4%*
Food	107.5	108.0	108.4	108.0	107.6	107.0	106.9	107.3	108.1	107.8	107.0	107.6
% Ch	*1.9%*	*1.9%*	*1.7%*	*-1.5%*	*-1.5%*	*-2.1%*	*-0.6%*	*1.5%*	*2.9%*	*-1.0%*	*-3.0%*	*2.3%*
Paper	108.1	108.2	104.9	105.4	102.3	101.9	101.5	99.0	97.7	100.1	102.3	102.1
% Ch	*-2.0%*	*0.1%*	*-11.4%*	*1.9%*	*-11.5%*	*-1.4%*	*-1.4%*	*-9.5%*	*-5.3%*	*10.1%*	*9.2%*	*-1.0%*
Agricultural Chemicals	97.9	95.9	93.2	95.2	91.3	87.0	90.3	94.3	88.4	87.3	90.3	89.9
% Ch	*-10.0%*	*-8.0%*	*-10.8%*	*8.8%*	*-15.2%*	*-17.6%*	*15.8%*	*19.3%*	*-22.7%*	*-4.8%*	*14.4%*	*-2.0%*
Metals & Minerals Mining	108.3	106.4	105.7	103.9	105.6	106.4	103.9	100.5	100.9	101.6	102.1	101.9
% Ch	*8.6%*	*-6.6%*	*-2.6%*	*-6.6%*	*6.4%*	*3.4%*	*-9.2%*	*-12.5%*	*1.7%*	*2.9%*	*1.7%*	*-0.7%*

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JANUARY 2003

MISCELLANEOUS

	2003				2004				2005			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
FEDERAL TRANSFERS TO STATE & LOCAL GOVERNMENTS												
Idaho (Millions)	1,462.5	1,485.0	1,506.1	1,536.6	1,556.6	1,575.2	1,594.5	1,614.0	1,633.3	1,646.7	1,660.2	1,679.2
% Ch	*8.6%*	*6.3%*	*5.8%*	*8.3%*	*5.3%*	*4.9%*	*5.0%*	*5.0%*	*4.9%*	*3.3%*	*3.3%*	*4.7%*
National (Billions)	326.0	331.0	335.7	342.6	347.1	351.3	355.6	359.9	364.3	367.3	370.1	374.3
% Ch	*8.9%*	*6.3%*	*5.8%*	*8.5%*	*5.3%*	*4.9%*	*5.0%*	*4.9%*	*5.0%*	*3.3%*	*3.2%*	*4.6%*
SELECTED CHAIN-WEIGHTED DEFL.												
Gross Domestic Product	112.0	112.7	113.3	114.0	114.7	115.4	116.1	116.8	117.5	118.1	118.7	119.2
% Ch	*2.2%*	*2.2%*	*2.4%*	*2.3%*	*2.7%*	*2.5%*	*2.5%*	*2.2%*	*2.5%*	*2.0%*	*2.0%*	*1.8%*
Consumption Expenditures	112.4	113.0	113.7	114.4	115.1	115.8	116.4	117.1	117.7	118.3	118.9	119.5
% Ch	*1.6%*	*2.2%*	*2.5%*	*2.5%*	*2.4%*	*2.3%*	*2.4%*	*2.3%*	*2.1%*	*2.1%*	*2.0%*	*1.8%*
Durable Goods	86.5	86.4	86.4	86.4	86.3	86.3	86.2	86.1	86.1	86.1	86.0	86.0
% Ch	*-0.8%*	*-0.5%*	*0.3%*	*-0.4%*	*-0.4%*	*0.0%*	*-0.5%*	*-0.3%*	*0.1%*	*0.0%*	*-0.3%*	*-0.2%*
Nondurable Goods	110.6	111.0	111.7	112.3	112.7	113.1	113.7	114.4	114.8	115.3	115.8	116.2
% Ch	*0.6%*	*1.7%*	*2.4%*	*2.3%*	*1.4%*	*1.5%*	*2.3%*	*2.4%*	*1.4%*	*1.8%*	*1.6%*	*1.3%*
Services	119.5	120.4	121.3	122.3	123.3	124.3	125.2	126.0	126.9	127.8	128.6	129.4
% Ch	*2.6%*	*2.9%*	*3.1%*	*3.2%*	*3.4%*	*3.1%*	*3.0%*	*2.8%*	*2.9%*	*2.6%*	*2.6%*	*2.5%*
Cons. Price Index (1982-84)	182.5	183.5	184.7	185.8	187.0	188.1	189.3	190.5	191.6	192.7	193.7	194.7
% Ch	*2.0%*	*2.2%*	*2.6%*	*2.5%*	*2.4%*	*2.5%*	*2.6%*	*2.5%*	*2.3%*	*2.3%*	*2.2%*	*2.0%*
SELECTED INTEREST RATES												
Federal Funds	1.25%	1.25%	1.92%	2.31%	2.72%	3.18%	3.50%	3.75%	4.00%	4.00%	4.25%	4.50%
Prime	4.25%	4.25%	4.92%	5.31%	5.72%	6.18%	6.50%	6.75%	7.00%	7.00%	7.25%	7.50%
Existing Home Mortgage	6.01%	5.92%	6.36%	6.88%	7.08%	7.40%	7.65%	7.80%	7.79%	7.78%	7.73%	7.75%
U.S. Govt. 3-Month Bills	1.27%	1.34%	1.88%	2.25%	2.59%	2.99%	3.30%	3.52%	3.73%	3.74%	3.96%	4.18%
SELECTED US PRODUCTION INDICES												
Lumber & Wood Products	100.2	98.9	97.9	97.7	98.4	99.2	100.0	100.4	100.4	100.3	100.3	100.5
% Ch	*-5.4%*	*-5.1%*	*-3.9%*	*-0.7%*	*2.8%*	*3.1%*	*3.2%*	*1.7%*	*0.1%*	*-0.2%*	*-0.2%*	*0.8%*
Office & Computer Equip.	427.3	453.0	481.9	514.0	546.2	578.3	613.6	647.4	677.6	710.6	743.8	777.3
% Ch	*24.5%*	*26.3%*	*28.1%*	*29.5%*	*27.4%*	*25.7%*	*26.8%*	*23.9%*	*20.0%*	*21.0%*	*20.0%*	*19.3%*
Electrical Machinery	266.2	278.3	292.6	308.2	324.7	341.5	358.8	375.4	392.4	408.6	424.8	441.3
% Ch	*16.9%*	*19.5%*	*22.1%*	*23.1%*	*23.3%*	*22.3%*	*21.8%*	*19.9%*	*19.4%*	*17.5%*	*16.8%*	*16.5%*
Electronic Components	630.0	667.3	710.1	756.5	805.5	855.1	906.0	958.0	1,010.9	1,064.6	1,118.9	1,174.7
% Ch	*24.1%*	*25.9%*	*28.2%*	*28.9%*	*28.6%*	*27.0%*	*26.0%*	*25.0%*	*24.0%*	*23.0%*	*22.0%*	*21.5%*
Food	108.3	109.1	109.9	110.7	111.5	112.3	113.1	113.9	114.6	115.3	115.9	116.4
% Ch	*2.4%*	*3.0%*	*3.1%*	*3.0%*	*3.0%*	*2.9%*	*2.8%*	*2.8%*	*2.5%*	*2.3%*	*2.1%*	*1.9%*
Paper	102.4	102.9	103.7	104.6	105.5	106.4	107.1	107.8	108.5	109.1	109.7	110.2
% Ch	*1.4%*	*1.9%*	*3.2%*	*3.5%*	*3.6%*	*3.2%*	*2.8%*	*2.6%*	*2.5%*	*2.3%*	*2.2%*	*2.1%*
Agricultural Chemicals	89.4	88.9	89.2	89.6	90.0	90.3	90.7	91.3	91.9	92.3	92.7	93.1
% Ch	*-2.1%*	*-2.1%*	*1.5%*	*1.6%*	*1.8%*	*1.3%*	*1.8%*	*2.8%*	*2.4%*	*2.1%*	*1.8%*	*1.6%*
Metals & Minerals Mining	102.1	101.6	101.5	101.6	102.6	103.2	104.3	105.1	106.4	107.7	109.2	110.4
% Ch	*1.0%*	*-2.0%*	*-0.7%*	*0.4%*	*4.1%*	*2.5%*	*4.2%*	*3.1%*	*5.2%*	*4.8%*	*5.8%*	*4.3%*

National Variables Forecast by GLOBAL INSIGHT
Forecast Begins the THIRD Quarter of 2002

APPENDIX

THE GLOBAL INSIGHT U.S. MACROECONOMIC MODEL

Global Insight's Macroeconomic Model is a multiple-equation model of the U.S. economy. Consisting of over 1,200 equations, the model is solved iteratively to generate the results of different policy and forecast scenarios. The model incorporates the best insights of many theoretical schools of thought to depict the economic decision processes and interactions of households, businesses, and governments.

The Global Insight model is divided into the following eight major sectors:

I Private Domestic Spending
II Production and Income
III Taxes
IV International Transactions
V Financial
VI Inflation
VII Supply
VIII Expectations

I. **Private Domestic Spending.** Major aggregate demand components include consumption, investment, and government. Consumer purchases are divided among three categories: durable goods, nondurable goods, and services. In nearly all cases, real expenditures are influenced by real income and the relative price of consumer goods. Durable and semidurable goods are also sensitive to household net worth, current finance costs, and consumer sentiment.

Global Insight divides investment into two general categories: fixed investment and inventories. The former is driven by utilization rates, capital stock, relative prices, financial market conditions, financial balance sheet conditions, and government policies. Inventory investment is heavily influenced by such factors as past and present sales levels, vendor performance, and utilization rates.

The government sector is divided into federal government and state and local government. Most of the federal expenditure side is exogenous. Federal receipts are endogenous and divided into personal taxes, corporate taxes, indirect business taxes, and contributions for social insurance. State and local sector receipts depend primarily on federal grants and various tax rates and bases. State and local government spending is driven by legal requirements (i.e., balanced budgets), the level of federal grants (due to the matching requirements of many programs), population growth, and trend increases in personal income.

II. **Production and Income.** The industrial production sector includes 74 standard industrial classifications. Production is a function of various cyclical and trend variables and a generated output term, i.e., the input-output (I-O) relationship between the producing industry and both intermediate industries and final demand. The cyclical and trend variables correct for changes in I-O coefficients that are implied by the changing relationship between buyers and sellers.

Pre-tax income categories include private and government wages, corporate profits, interest rate, and entrepreneurial returns. Each of these categories, except corporate profits, is determined by some combination of wages, prices, interest rates, debt levels, capacity utilization rate, and unemployment rate. Corporate profits are calculated as the residual of total national income less the non-profit components of income mentioned above.

III. **Taxes.** The model tracks personal, corporate, payroll, and excise taxes separately. Tax revenues are simultaneously forecast as the product of the rate and the associated pre-tax income components. The model automatically adjusts the effective average personal tax rate for variations in inflation and income per household, and the effective average corporate rate for credits earned on equipment, utility structures, and R&D. State taxes are fully endogenous, except for corporate profits and social insurance tax rates.

IV. **International.** The international sector can either add or divert strength from the central flow of domestic income and spending. Imports' ability to capture varying shares of domestic demand depends on the prices of foreign output, the U.S. exchange rate, and competing domestic prices. Exports' portion of domestic spending depends on similar variables and the level of world gross domestic product. The exchange rate itself responds to international differences in inflation, interest rates, trade deficits, and capital flows between the U.S. and its competitors. Investment income flows are also explicitly modeled.

V. **Financial.** The Global Insight model includes a highly detailed financial sector. Several short- and long-term interest rates are covered in this model, and they are the key output of this sector. The short-term rates depend upon the balance between the demand and supply of reserves in the banking system. The supply of reserves is the primary exogenous monetary policy lever within the model, reflecting the Federal Reserve's open market purchases or sales of Treasury securities. Longer-term interest rates are driven by shorter-term rates as well as factors affecting the slope of the yield curve. These factors include inflation expectations, government borrowing requirements, and corporate finance needs.

VI. **Inflation.** Inflation is modeled as a controlled, interactive process involving wages, prices, and market conditions. The principal domestic cost influences are labor compensation, nonfarm productivity, and foreign input costs that later are driven by the exchange rate, the price of oil, and foreign wholesale price inflation. This set of cost influences drives each of the industry-specific producer price indexes, in combination with a demand pressure indicator and appropriately weighted composites of the other producer price indexes.

VII. **Supply.** In this model, aggregate supply (or potential GNP), is estimated by a Cobb-Douglas production function that combines factor input growth and improvements to total factor productivity. Factor input equals a weighted average of labor, business fixed capital, and energy. Factor supplies are defined by estimates of the full employment labor force, the full employment capital stock net of pollution abatement equipment, the domestic production of petroleum and natural gas, and the stock of infrastructure. Total factor productivity depends upon the stock of research and development capital and trend technological change.

VIII. **Expectations.** Expectations impact several expenditure categories in the model, but the principal nuance relates to the entire spectrum of interest rates. Shifts in price expectations or the expected government capital needs influences are captured directly in this model through price expectations and budget deficit terms. The former impacts all interest rates and the latter impacts intermediate- and long-term rates. On the expenditure side, inflationary expectations impact consumption via consumer sentiment, while growth expectations affect business investment.

THE IDAHO ECONOMIC MODEL

The Idaho Economic Model (IEM) is an income and employment based model of Idaho's economy. The Model consists of a simultaneous system of linear regression equations, which are estimated using quarterly data. The primary exogenous variables are obtained from the Global Insight U.S. Macroeconomic Model. Endogenous variables are forecast at the statewide level of aggregation.

The focal point of the IEM is Idaho personal income, which is given by the identity:

personal income = wage and salary payments + other labor income + farm proprietors' income + nonfarm proprietors' income + property income + transfer payments - contributions for social insurance + residence adjustment.

With the exception of farm proprietors' income and wage and salary payments, each of the components of personal income is estimated stochastically by a single equation. Farm proprietors' income and wage and salary payments each comprise submodels containing a system of stochastic equations and identities.

The farm proprietor sector is estimated using a highly aggregated submodel consisting of equations for crop marketing receipts, livestock marketing receipts, production expenses, inventory changes, imputed rent income, corporate farm income, and government payments to farmers. Farm proprietors' income includes inventory changes and imputed rent, but this component is netted out of the tax base.

At the heart of the IEM is the wage and salary sector, which includes stochastic employment equations for 18 Standard Industrial Classification (SIC) employment categories. Conceptually, the employment equations are divided into basic and domestic activities. The basic employment equations are specified primarily as functions of national demand and supply variables. Domestic employment equations are specified primarily as functions of state-specific demand variables. Average annual wages are estimated for several broad employment categories and are combined with employment to arrive at aggregate wage and salary payments.

The demographic component of the model is used to forecast components of population change and housing starts. Resident population, births, and deaths are modeled stochastically. Net migration is calculated residually from the estimates for those variables. Housing starts are divided into single and multiple units. Each equation is functionally related to economic and population variables.

The output of the IEM (i.e., the forecast values of the endogenous variables) is determined by the parameters of the equations and the values of exogenous variables over the forecast period. The values of equation parameters are determined by the historic values of both the exogenous and endogenous variables. IEM equation parameters are estimated using the technique of ordinary least squares. Model equations are occasionally respecified in response to the dynamic nature of the Idaho and national economies. Parameter values for a particular equation (given the same specification) may change as a result of revisions in the historic data or a change in the time interval of the estimation. In general, parameter values should remain relatively constant over time, with changes reflecting changing structural relationships.

While the equation parameters are determined by structural relationships and remain relatively fixed, the forecast period exogenous variable values are more volatile determinants of the forecast values of

endogenous variables. They are more often subject to change as expectations regarding future economic behavior change, and they are more likely to give rise to debate over appropriate values. As mentioned above, the forecast period values of exogenous variables are primarily obtained from Global Insight's U.S. Macroeconomic Model.

Since the output of the IEM depends in large part upon the output of the Global Insight model, an understanding of the Global Insight model, its input assumptions, and its output is useful in evaluating the results of the IEM's forecast. The assumptions and output of the Global Insight model are discussed in the National Forecast section.

ID0AHEMF	ID0AHEMF= 3.132 + 7.748*(ID0NEWMFD\1 /ID0NEWMF\1 *JRWSSNF) + 9.057 *(ID0NEWMFN\1 /ID0NEWMF\1 *JRWSSNF)
ID0AVGW$	ID0AVGW$= ((ID0WBB$-ID0WBBF$-ID0WBBMIL$)/ID0NEW)*1000
ID0CRCROP	ID0CRCROP= - 1.344 + 0.011*CRCROP + 1.892*WPI01
ID0CRLVSTK	ID0CRLVSTK= - 1.059 + 0.024*CRCATCVS + 1.548*WPI01
ID0EXFP	ID0EXFP= - 0.866 + 3.447*WPI01
ID0GIA$	ID0GIA$= 99.243 + 914.242*(VAIDGF_SL*ID0NPT/N)
ID0HSPR	ID0HSPR= ID0HSPRS1_A + ID0HSPRS2A_A
ID0HSPRS1_A	ID0HSPRS1_A= - 12.540 - 0.314*(RMMTGENS - MOVAV(RMMTGENS\1 , 4)) + 99.211*(MOVAV(ID0NPT\1 , 4) - MOVAV(ID0NPT\5 , 4)) + 0.048*ID0KHU\1
ID0HSPRS2A_A	ID0HSPRS2A_A= 7.340 + 44.389*(MOVAV(ID0NPT\1 , 4) - MOVAV(ID0NPT\5 , 4)) - 0.270*(MOVAV(RMMTGENS , 4)) - 0.024*TIME
ID0IPMFDNEC	ID0IPMFDNEC= 13.0*JQIND25*100/81.2 + 52.5*JQIND37*100/81.2 + 15.7*JQIND39*100/81.2
ID0IP26_27	ID0IP26_27=252.3*JQIND26*100/498.1 + 245.8*JQIND27*100/498.1
ID0IP32_34	ID0IP32_34=58.8*JQIND32*100/206.9 + 148.1*JQIND34*100/206.9
ID0KHU	ID0KHU= ID0KHU1 + ID0KHU2A
ID0KHU1	ID0KHU1= ((1-0.003)**.25)*ID0KHU1\1 + ID0HSPRS1_A/4
ID0KHU2A	ID0KHU2A= ((1-0.003)**.25)*ID0KHU2A\1 + ID0HSPRS2A_A/4
ID0NB	ID0NB= 3.345 + 38.249*ID0NPT - 0.151*TIME
ID0ND	ID0ND= - 0.181 + 6.004*ID0NPT + 0.009*TIME
ID0NEW	ID0NEW= ID0NEWMF + ID0NEWNM
ID0NEWCC	ID0NEWCC= - 15.311 + 0.154*TIME + 0.043*ID0HSPRS1_A + 0.117*ID0HSPRS1_A\1 + 0.192*ID0HSPRS1_A\2 + 0.266*ID0HSPRS1_A\3 + 0.341*ID0HSPRS1_A\4 + 0.416*ID0HSPRS1_A\5 + 0.490*ID0HSPRS1_A\6
ID0NEWFIR	ID0NEWFIR= - 2.486 + 0.151*(MOVAV(ID0HSPR , 2)) + 25.697*ID0NPT - 4.440*DUM861ON - 3.510*DUM981ON
ID0NEWGOOD	ID0NEWGOOD= ID0NEWMF + ID0NEWMG + ID0NEWCC

ID0NEWGV	ID0NEWGV= ID0NEWGVF + ID0NEWGVSL
ID0NEWGVF	ID0NEWGVF= 1.710 + 678.399*(EGF*(ID0NPT/N)) + 3.716*(EGF*(GFO96C/GF96C)) - 0.002*TIME
ID0NEWGVSL	ID0NEWGVSL= ID0NEWGVSLED + ID0NEWGVSL_ED
ID0NEWGVSL_ED	ID0NEWGVSL_ED= - 15.640 + 23.150*ID0NPT + 0.131*TIME
ID0NEWGVSLED	ID0NEWGVSLED= - 13.620 + 74.832*(ID0NPT*((N - N16A)/N)) + 0.494*(MOVAV(ID0YPTXB\4 , 4)) + 0.148*TIME
ID0NEWMF	ID0NEWMF= ID0NEWMFD + ID0NEWMFN
ID0NEWMFD	ID0NEWMFD= ID0NEW24 + ID0NEW32_34 + ID0NEW35_36 + D0NEWMFDNEC
ID0NEWMFDNEC	ID0NEWMFDNEC= - 3.826 + 0.081*ID0IPMFDNEC
ID0NEWMFN	ID0NEWMFN= ID0NEW20 + ID0NEW26_27 + ID0NEW28 + ID0NEWMFNNEC
ID0NEWMFNNEC	ID0NEWMFNNEC= 0.821 + 0.002*(CNCS96C + CNOTH96C) - 0.100*DUM87ON
ID0NEWMG	ID0NEWMG= ID0NEWMG_10 + ID0NEW10
ID0NEWMG_10	ID0NEWMG_10= 3.051 + 0.401*(MOVAV(JQIND287 , 2)) + 0.053*ID0HSPR + 0.012*(JQIND333_9*TIME) - 0.594*(JQIND33/EMI) - 0.894*(JRWSSNF/WPI10) - 0.017*TIME
ID0NEWNGOOD	ID0NEWNGOOD= ID0NEWNM - ID0NEWMG - ID0NEWCC
ID0NEWNM	ID0NEWNM= ID0NEWCC + ID0NEWFIR + ID0NEWGV + ID0NEWSV + ID0NEWTCU + ID0NEWWR + ID0NEWMG
ID0NEWSV	ID0NEWSV= - 36.555 + 6.394*(MOVAV(YPADJ_ID , 3)/ MOVAV(PCWC , 3))
ID0NEWTCU	ID0NEWTCU= - 12.622 + 0.095*ID0KHU\1
ID0NEWWR	ID0NEWWR= 7.445 + 4.834*(MOVAV(YPADJ_ID , 3)/ MOVAV(PCWC , 3))
ID0NEW10	ID0NEW10= 2.662 + 6.137*JQIND333_9 - 1.699*(JQIND33/EMI) - 4.939*(JRWSSNF/WPI10)
ID0NEW20	ID0NEW20= ID0NEW20_203 + ID0NEW203
ID0NEW20_203	ID0NEW20_203= - 4.421 + 11.085*JQIND20
ID0NEW203	ID0NEW203= 8.938 + 17.793*JQIND201_7A9 - 0.080*(JQIND201_7A9*TIME)
ID0NEW24	ID0NEW24= 21.216 + 8.226*(MOVAV(JQIND24 , 2)) - 13.259*(JRWSSNF/WPI08) - 0.213*DUM821ON - 0.033*TIME
ID0NEW26_27	ID0NEW26_27= - 1.184 + 0.084*(MOVAV(ID0IP26_27\1 , 4))

ID0NEW28	ID0NEW28= - 0.360 + 1.516*(MOVAV(JQIND287\1 , 2)) + 0.928*DUM841ON - 1.930*DUM951ON + 0.011*TIME
ID0NEW32_34	ID0NEW32_34= - 1.289 + 0.023*(MOVAV(ID0IP32_34 , 2)) - 1.651*(JQIND34/E34) + 0.0589*(ID0NEW20\1 + ID0NEW24\1 + ID0NEWMG\1 + ID0NEWCC\1 + ID0NEW26_27\1)
ID0NEW35	ID0NEW35= - 7.051 - 0.109*JQIND357 - 1.471*DUM861884 + 0.085*TIME
ID0NEW35_36	ID0NEW35_36= ID0NEW35 + ID0NEW36
ID0NEW36	ID0NEW36= - 13.287 + 0.970*JQIND367 - 0.649*DUM801884 + 0.109*TIME
ID0NMG	ID0NMG= 4*(ID0NPT-ID0NPT\1) - (ID0NB-ID0ND)/1000
ID0NPT	ID0NPT= - 0.080 + 1.010*ID0NPT\1 + 0.073*((ID0NEW\1/ID0NEW\5)/(EEA\1/EEA\5))
ID0WBB$	ID0WBB$= ID0WBBMF$ + ID0WBBOTH$ + ID0WBBCC$ + ID0WBBF$ + ID0WBBMIL$
ID0WBBCC$	ID0WBBCC$= (ID0WRWCC$*ID0NEWCC)/1000000
ID0WBBF$	ID0WBBF$= - 0.507 + 0.608*WPI02
ID0WBBMF$	ID0WBBMF$= (ID0WRWMF$*ID0NEWMF)/1000000
ID0WBBMIL$	ID0WBBMIL$= 0.020 + 0.260*((ID0NPT/N)*GFMLWSS_FAC)
ID0WBBOTH$	ID0WBBOTH$= ID0WRWOTH$*(ID0NEW-ID0NEWCC-ID0NEWMF)/1000000
ID0WRWCC$	ID0WRWCC$= 7836.961 + 1615.710*ID0AHEMF
ID0WRWMF$	ID0WRWMF$= - 15264.890 + 3879.600*ID0AHEMF
ID0WRWOTH$	ID0WRWOTH$= - 5050.855 + 2204.515*ID0AHEMF
ID0YDIR$	ID0YDIR$= 0.039 + 1.001*((YINTPER + DIV + YRENTADJ)* MOVAV(ID0YP$\1 , 4)/ MOVAV(YP\1 , 4))
ID0YFC$	ID0YFC$= - 0.131 + 0.796*ID0YFC$\1 + 0.136*WPI01
ID0YINV_R$	ID0YINV_R$= - 0.098 + 0.778*ID0YINV_R$\1 + 0.144*WPI01
ID0YP	ID0YP= ID0YP$/PCWC
ID0YP$	ID0YP$=ID0WBB$+ID0YSUP$+ID0YDIR$+ID0YPRNF$+ID0YPRF$ +ID0YTR$+ID0YRA$-ID0YSI$
ID0YPNF	ID0YPNF= ID0YPNF$/PCWC
ID0YPNF$	ID0YPNF$= ID0YP$-ID0YPRF$-ID0WBBF$

ID0YPNFPC	ID0YPNFPC= ID0YPNF$/PCWC/ID0NPT
ID0YPRF$	ID0YPRF$= 0.317 + 342.301*((ID0CRCROP + ID0CRLVSTK + ID0YTRF$ + ID0YINV_R$ - ID0YFC$ - ID0EXFP)/1000)
ID0YPRNF$	ID0YPRNF$= 0.047 + 0.004*YENTNFADJ
ID0YPTXB	ID0YPTXB= (ID0WBB$+ID0YPRNF$+ID0YDIR$+(ID0YPRF$-ID0YINV_R$/1000))/PCWC
ID0YRA$	ID0YRA$= - 0.080 + 0.029*ID0WBB$
ID0YSI$	ID0YSI$= 0.016 + 1.031*(TWPER*ID0WBB$/WSD)
ID0YSUP$	ID0YSUP$= - 0.083 + 1.083*(YOL*(ID0WBB$/WSD))
ID0YTR$	ID0YTR$= 0.102 + 0.786*((VGF_PER + VGSL_PER)*(ID0NPT/N))
ID0YTRF$	ID0YTRF$= 0.027 + 0.011*TRF$
YPADJ_ID	YPADJ_ID=ID0YPNF$+MOVAV(ID0YPRF$,4) + MOVAV (ID0WBBF$,4)

ENDOGENOUS VARIABLES

ID0AHEMF	Average hourly earnings in manufacturing
ID0AVGW$	Average annual wage
ID0CRCROP	Cash receipts, crops, not seasonally adjusted
ID0CRLVSTK	Cash receipts, livestock, not seasonally adjusted
ID0EXFP	Farm production expenses
ID0GIA$	Federal grants-in-aid to Idaho governments
ID0HSPR	Housing starts, total
ID0HSPRS1_A	Adjusted housing starts, single units
ID0HSPRS2A_A	Adjusted housing starts, multiple units
ID0IP26_27	Industrial production index, paper, printing, and publishing, 1996=1.0
ID0IP32_34	Industrial production index, stone, clay, glass, and concrete products and fabricated metals, 1996=1.0
ID0IPMFDNEC	Industrial production index, other durable manufacturing, 1996=1.0
ID0KHU	Housing stock, total
ID0KHU1	Housing stock, single units
ID0KHU2A	Housing stock, multiple units
ID0NB	Number of births
ID0ND	Number of deaths
ID0NEW	Employment on nonagricultural payrolls, total
ID0NEW10	Employment in metal mining
ID0NEW20	Employment in food processing
ID0NEW20_203	Employment in food processing, except canned, cured, and frozen
ID0NEW203	Employment in food processing, canned, cured, and frozen
ID0NEW24	Employment in lumber and wood products
ID0NEW26_27	Employment in paper, printing, and publishing
ID0NEW28	Employment in chemicals and allied products
ID0NEW32_34	Employment in stone, clay, glass, and concrete products and fabricated metals
ID0NEW35	Employment in nonelectrical machinery
ID0NEW35_36	Employment in machinery
ID0NEW36	Employment in electrical machinery
ID0NEWCC	Employment in construction
ID0NEWFIR	Employment in finance, insurance, and real estate
ID0NEWGOOD	Employment in goods-producing sectors
ID0NEWGV	Employment in government
ID0NEWGVF	Employment in federal government
ID0NEWGVSL	Employment in state and local government
ID0NEWGVSL_ED	Employment in state and local government, except education
ID0NEWGVSLED	Employment in state and local government, education
ID0NEWMF	Employment in manufacturing
ID0NEWMFD	Employment in durable manufacturing
ID0NEWMFDNEC	Employment in other durable manufacturing
ID0NEWMFN	Employment in nondurable manufacturing
ID0NEWMFNNEC	Employment in other nondurable manufacturing
ID0NEWMG	Employment in mining
ID0NEWMG_10	Employment in mining, except metal mining

ID0NEWNGOOD	Employment in service-producing sectors
ID0NEWNM	Employment in nonmanufacturing
ID0NEWSV	Employment in services
ID0NEWTCU	Employment in communications, transportation, and public utilities
ID0NEWWR	Employment in trade
ID0NMG	Net in-migration of persons
ID0NPT	Resident population
ID0WBB$	Wage and salary disbursements
ID0WBBCC$	Wage and salary disbursements, construction
ID0WBBF$	Wage and salary disbursements, farm
ID0WBBMF$	Wage and salary disbursements, manufacturing
ID0WBBMIL$	Wage and salary disbursements, military
ID0WBBOTH$	Wage and salary disbursements, except farm, manufacturing, and construction
ID0WRWCC$	Average annual wage, construction
ID0WRWMF$	Average annual wage, manufacturing
ID0WRWOTH$	Average annual wage, except manufacturing, construction, and farm
ID0YDIR$	Dividend, interest, and rent income
ID0YFC$	Corporate farm income
ID0YINV_R$	Farm inventory value changes, imputed rent, and income
ID0YP	Total personal income, 1996 dollars
ID0YP$	Total personal income
ID0YPNF	Nonfarm personal income, 1996 dollars
ID0YPNF$	Nonfarm personal income
ID0YPNFPC	Per capita nonfarm income, 1996 dollars
ID0YPRF$	Net farm proprietors' income
ID0YPRNF$	Nonfarm proprietors' income
ID0YPTXB	Tax base, 1996 dollars
ID0YRA$	Residence adjustment, personal income
ID0YSI$	Contributions for social insurance
ID0YSUP$	Other labor income
ID0YTR$	Transfer payments to persons
ID0YTRF$	Government payments to Idaho farmers
YPADJ_ID	Adjusted total personal income

EXOGENOUS VARIABLES

CNCS96C	Personal consumption expenditures, clothing and shoes, 1996 dollars, chain weighted
CNFOOD96C	Personal consumption expenditures, food, 1996 dollars, chain weighted
CNOTH96C	Personal consumption expenditures, other nondurable goods, 1996 dollars, chain weighted
CRCATCVS	Cash receipts, U.S. cattle and calves
CRCROP	Cash receipts, U.S. crops
DIV	Dividends
DUM801884 DUM821ON DUM841ON DUM861ON DUM861884 DUM871ON DUM951ON DUM981ON TIME	These are dummy variables used in regression equations for the purpose of capturing the impacts of discrete economic or non-economic event such as SIC code changes, strikes, plant opening, or closures, unusual weather conditions, etc.
E20	Employment in food processing
E24	Employment in lumber and wood products
E26	Employment in paper and paper products
E27	Employment in printing and publishing
E28	Employment in chemicals
E32	Employment in stone, clay, and glass
E34	Employment in fabricated metals
E35	Employment in nonelectrical machinery
E36	Employment in electrical machinery
EEA	Total nonagricultural employment
EGF	Employment in federal government
EMD	Employment in durable manufacturing
EMI	Employment in mining
EMN	Employment in nondurable manufacturing
GFMLWSS_FAC	Federal government defense personnel outlays
GF96C	Federal government purchases, 1996 dollars, chain weighted
GFO96C	Federal government purchases, non-defense, 1996 dollars, chain weighted
JQIND20	Industrial production index, food products, 1996=1.0
JQIND201_7A9	Industrial production index, food except beverages, 1996=1.0
JQIND24	Industrial production index, wood and lumber products, 1996=1.0
JQIND25	Industrial production index, furniture and fixtures, 1996=1.0
JQIND26	Industrial production index, paper and paper products, 1996=1.0
JQIND27	Industrial production index, printing and publishing, 1996=1.0
JQIND287	Industrial production index, agricultural chemicals, 1996=1.0
JQIND32	Industrial production index, stone, clay, and glass products, 1996=1.0

JQIND33	Industrial production index, primary metals, 1996=1.0
JQIND333_9	Industrial production index, nonferrous metals, 1996=1.0
JQIND34	Industrial production index, fabricated metal products, 1996=1.0
JQIND357	Industrial production index, office and computing equipment, 1996=1.0
JQIND367	Industrial production index, electric components, 1996=1.0
JQIND37	Industrial production index, transportation equipment, 1996=1.0
JQIND39	Industrial production index, miscellaneous manufactures, 1996=1.0
JRWSSNF	Index of compensation per hour, nonfarm business sector, 1992=1.0
N	Population, U.S.
N16A	Population, U.S., aged 16 and older
PCWC	Implicit price deflator, personal consumption, 1996=1.0, chain weighted
RMMTGENS	Effective conventional mortgage rate, existing homes, combined lenders
TRF$	Government payments to U.S. farms
TWPER	Personal contributions for social insurance, U.S.
VAIDGF_SL	Federal grants-in-aid to state and local governments
VGF_PER	Federal transfer payments to persons, U.S.
VGSL_PER	State and local transfer payments to persons, U.S.
WPI01	Producer price index, farm products, 1982=1.0
WPI02	Producer price index, processed foods and feeds, 1982=1.0
WPI08	Producer price index, lumber and wood products, 1982=1.0
WPI10	Producer price index, metals and metal products, 1982=1.0
WSD	Wage and salary disbursements
YENTNFADJ	Nonfarm proprietors' income (with inventory valuation and capital consumption adjustments)
YINTPER	Personal interest income
YOL	Other labor income, U.S.
YP	Personal income
YRENTADJ	Rental income of persons with capital consumption adjustment

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